Barrick

Barrick Gold Corporation

Annual Report 1997

Barrick Gold Corporation is a leading international gold producer with four low-cost operating mines and a fifth scheduled to enter production in late 1998. The Company's shares trade under the symbol ABX on the Toronto, Montreal, New York, London and Swiss stock exchanges and the Paris Bourse. Barrick entered the gold business in 1983.

4 Chairman's Message

While gold markets have fluctuated over the years, Barrick's commitment to creating value has not. The Company's combination of outstanding mining and financial assets gives it the strength to set its own course.

A dynamic plan for growth 8

By focusing its energies on quality assets, Barrick's operating plan is enabling the Company to increase production, lower costs and increase cash flow, placing the Company in an even stronger position.

10 The power of hedging

To fully understand Barrick's success you need to appreciate the tremendous power of its hedging program. It is more important today than ever before.

20 Unlocking Pierina's potential

The new Pierina Mine, scheduled to begin production late this year, is expected to produce 750,000 ounces annually using a low-cost, valley-fill heap leaching system. Cash operating costs of $50 an ounce are expected.

All dollar amounts are expressed in United States dollars, unless otherwise indicated.

What makes Barrick different

- ## Top-quality reserves

  At more than *50 million ounces*, Barrick's reserves are largely insulated from changes in current gold prices.

- ## A hedging advantage

  Barrick has the ability to sell gold at *$400 per ounce* for the next three years.

- ## Low-cost production

  Barrick's costs are among the lowest in the industry – and becoming lower.

- ## Strong cash flows

  Large and growing cash flows provide tremendous financial flexibility.

- ## Solid financial strength

  With the gold industry's only "A" credit rating, Barrick has almost *$2 billion* in financial resources available should they be needed.

- ## Superior operating capability

  Leadership in technology and operating efficiencies combine to build Barrick's value and financial strength.

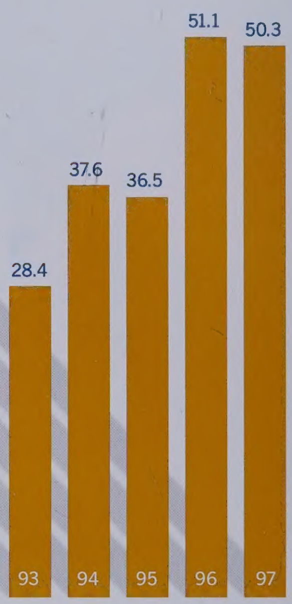
Driving growth

1997 PERFORMANCE

At Barrick, mining and financial strengths work hand-in-hand to create a successful company. High-quality reserves allow for low-cost production. Combined with the strength of Barrick's hedging program, they generate healthy cash flows that provide the resources to fund the Company's further expansion. At the centre of this dynamic process are the special skills, expertise and dedication of Barrick's people – the best in the business. Here is how we performed against objectives in 1997.

Gold Reserves

(millions of ounces)



1997 OBJECTIVE

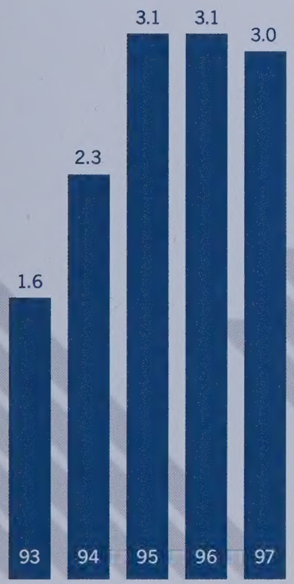
Continue to build the asset base through acquisitions and exploration.

RESULT

More than 5 million ounces of new high-quality reserves were added in 1997. After accounting for production, planned phase-out of certain mines, a property sale, and calculation of reserves at $350 per ounce rather than $400, total reserves remained strong.

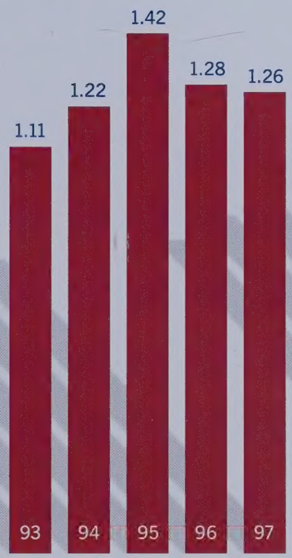
Gold Production

(millions of ounces)



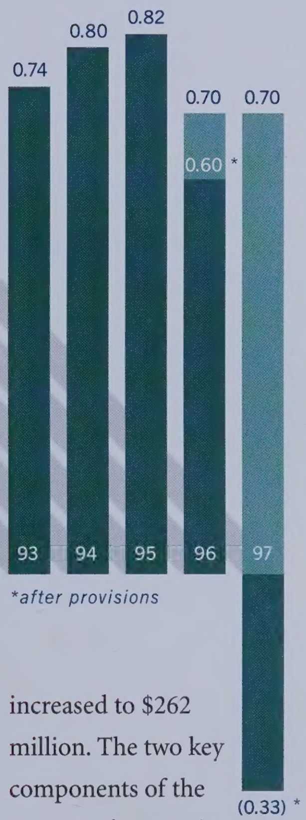
Operating Cash Flow Per Share

(US dollars)



Net Income Per Share

(US dollars)



**after provisions*

1997 OBJECTIVE

Maintain production at 3 million ounces and continue with plans to significantly increase low-cost production by the end of the decade.

RESULT

In 1997, production remained steady at 3 million ounces while costs declined by 6%. Barrick announced plans to increase production by 17% to 3.5 million ounces in 1999, while lowering costs by 18%.

1997 OBJECTIVE

Increase cash flow and profitability by improving operating margins through lower costs and a higher realized price from gold hedging.

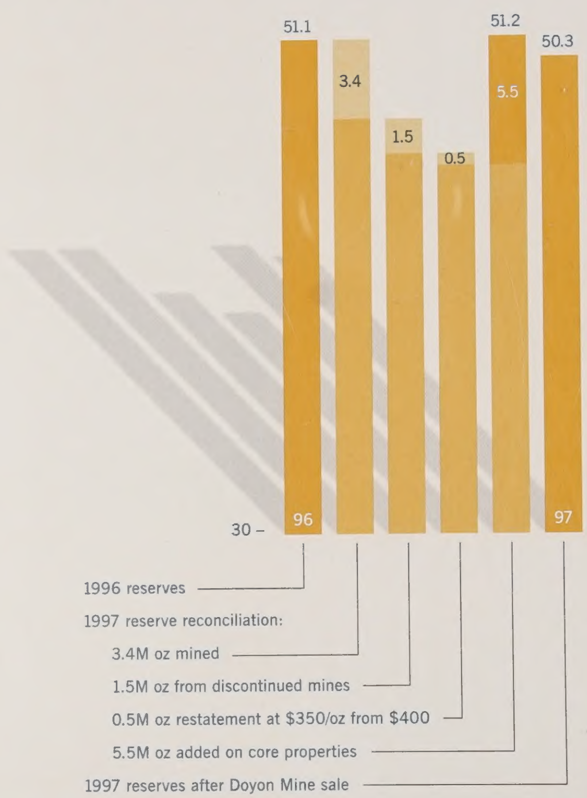
RESULT

After accounting for a non-cash provision of $385 million, net of tax, the loss for the year was $123 million. Operating cash flow rose to $470 million and net income (before provision) increased to $262 million. The two key components of the Company's operating earnings strength were our unparalleled hedging program, which produced more than $200 million in net earnings in 1997, and the reduction in cash operating costs to $182 per ounce from $193. Barrick's operating margin increased to over 27% in 1997, the highest of any major gold producer.

	1997	1996
FINANCIAL HIGHLIGHTS		
(millions of US dollars, except per share data)		
Revenue from gold sales	**$ 1,284**	$ 1,299
Net income (loss) for the year:		
Before provisions	**262**	256
After provisions	**(123)**	218
Operating cash flow	**470**	463
Cash	**292**	245
Shareholders' equity	**3,324**	3,501
Net income (loss) per share *(fully diluted)*:		
Before provisions	**$ 0.70**	$ 0.70
After provisions	**(0.33)**	0.60
Operating cash flow per share	**1.26**	1.28
Dividends per share	**0.16**	0.14
OPERATIONAL HIGHLIGHTS		
Gold production *(thousands of ounces)*	**3,048**	3,149
Cash operating costs per ounce *(US dollars)*	**$ 182**	$ 193
GOLD RESERVES AND MINERALIZATION		
(thousands of ounces)		
Reserves: proven and probable at $350 per ounce (1996 – $400 per ounce)	**50,318**	51,117
Gold mineralized material	**20,206**	24,914

1997 Reserve Replacement

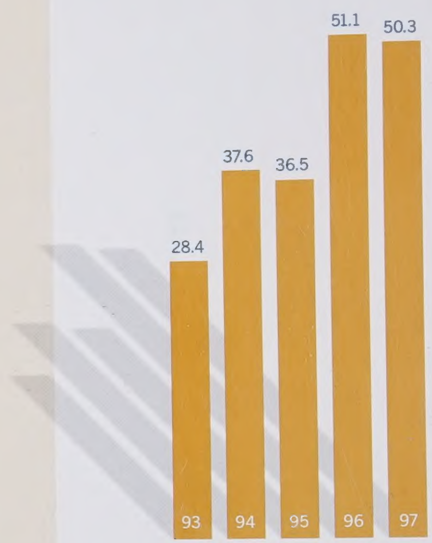
(millions of ounces)



Our reserve base is of such high quality that, even at a valuation of $300 per ounce, over 93% of Barrick's reserves are profitable.

Gold Reserves

(millions of ounces)



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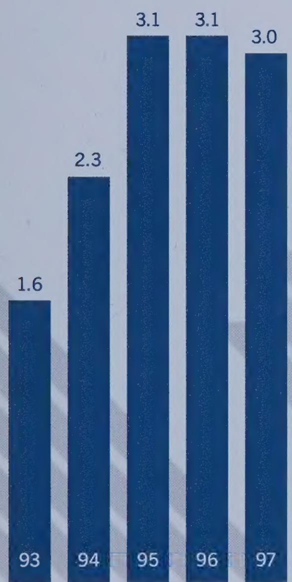
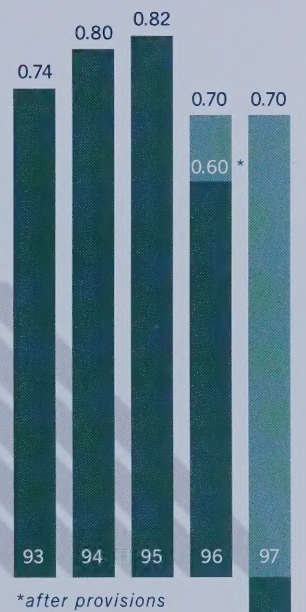


Operating Cash Flow Per Share

(US dollars)

Net Income Per Share

(US dollars)



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Certain growth in uncertain times

A WORD TO OUR SHAREHOLDERS

The past year brought a new and sobering reality to the gold business. Across the industry, lower gold prices affected earnings and spending plans. Some weaker producers are being forced out of business.

While Barrick is perhaps the gold company least affected by the current price environment – thanks to our exceptional hedging position and low-cost production – we were the first to react with a plan that addresses the new realities head-on. It's indicative of our ability to make the right, tough decisions – to show leadership in both good times and bad.

IN SEPTEMBER, WE ANNOUNCED A COMPREHENSIVE OPERATING PLAN designed to achieve higher production, lower costs and increased cash flows. As part of the plan, we are closing higher-cost mines and focusing our energies on expediting the development and expansion of our two lowest-cost properties.

To cover the write-down of original value for the mines being phased out, Barrick took a non-cash provision of $431 million ($385 million, net of tax) in the third quarter. That resulted in a net loss of $123 million for the year 1997, or 33 cents per share, compared to net income after provision of $218 million, or 60 cents per share, in 1996. Excluding the provision, net income was $262 million, or 70 cents per share, compared to $256 million, or 70 cents per share, in 1996.

At 50.3 million ounces of gold, our reserves have barely changed from year-end 1996 – even though we produced 3 million ounces in 1997, removed 1.5 million ounces through mine closures and removed a further 862,000 ounces through the sale of our interest in the Doyon Mine. We also changed our basis for reserve calculation from $400 to $350 per ounce gold. Our reserves are of such quality that, even if we were to calculate them at $300 per ounce, over 93% of our reserves would remain intact.

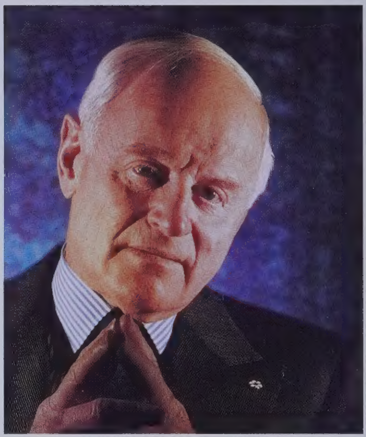
Cash flows in 1997 increased to $470 million from $463 million, as operating costs dropped from $193 to $182 per ounce and we were able to realize gold prices of $420 per ounce, compared to the year's spot price average of $332.

The $88 premium we earned came as a result of our hedging program, widely acknowledged as the best and the most extensive in the industry, a critical factor in Barrick's past and future success. Our hedging program produced more than $200 million in net earnings in 1997. Over the past 10 years it has consistently allowed us to realize prices higher than spot, yielding an average $46 per ounce premium, for an additional $580 million in net earnings.

We pioneered the use of hedging in the gold industry as a consistent means to enhance the revenue from ounces of gold produced. Hedging for this purpose is often not fully understood. It is much more than forward selling. Here are some of the reasons why:

- With 10 million ounces hedged at $400 per ounce, we have a $4-billion position on which Barrick earns interest. We actively manage this fiscal asset to maximize the yield we derive from it.
- Most importantly, hedging will continue to provide significant financial benefits in a lower or higher gold price environment.
- The interest on our hedge position coupled with low-cost production produces very profitable ounces – today each Barrick ounce is four times as profitable as those of our peer group.
- With the unique flexibility of our hedge contracts, Barrick can take full advantage of peaks in the gold price. We can at any time deliver into the spot market and roll forward our contracts and earn additional interest.

- It has often been claimed that our hedging policies have hurt the gold price. I feel the opposite is true. Because we deliver our production against our future contracts, we can be discriminating as to the timing of each new sale to ensure that it does not hurt prices.



Peter Munk
Founder, Chairman and Chief Executive Officer

Assuming a relatively constant hedge position in relation to our production which we have been maintaining for some years now, we only make available to the market what we produce. This is exactly what we would do if we were not hedged.

As critical as hedging is to our success, our commitment to sound business principles – prudence, financial discipline, a strict focus on profitability, balance sheet quality, and speed – are of paramount importance. These principles were all applied in the months leading to last September's announcement of our new operating plan. While our high-cost mines will be phased out, we plan to increase Meikle Mine production to 765,000 ounces in 1998 and to complete development of our Pierina Property in Peru, which is expected to produce 750,000 ounces annually. The net result is that our production should increase 17% to 3.5 million ounces in 1999. The big difference, though, is the improvement in the quality of this production. Cost per ounce at Meikle is expected to be $90, while costs at Pierina are targeted to be only $50 per ounce. We expect Pierina to become one of the world's lowest-cost major gold mines. As a result, Barrick's overall cash operating costs are anticipated to drop to $150 per ounce by 1999 from $182 per ounce in 1997. More production of more profitable ounces should also increase cash flows significantly above our current levels.

For the next stage, we look to the Pascua ore body on the El Indio Belt, which straddles the Chile/Argentina border. We are prioritizing our exploration and engineering work on this property because we believe it has the potential to contain the largest gold and silver reserves in South America. If so, it will have exceeded all the expectations that we attached to the El Indio Belt when we acquired Lac Minerals in 1994.

The general outlook for gold remains unsettling. What is gold's future? That may be difficult to predict but, I believe, there is much more potential on the upside than on the downside, as far as its price movement is concerned. This view is predicated on two factors. First, the uncertainty that overhangs the gold market and is causing large-scale short selling should dissipate this year. This uncertainty stems from the well-publicized fear that European central banks will become large sellers of gold as the structure for the new Euro currency is put in place. Whatever their decisions – and I do not expect them to be dire – simply alleviating the uncertainty should be positive for the gold price.

> "We expect significantly higher production, lower costs and increased cash flows… today each Barrick ounce is four times as profitable as those of our peer group."

The second key dynamic that is quietly at work in favour of gold is the simple equation of supply and demand. After all, we did not see an erosion in the gold price last year by nearly a third because supply has increased or demand dried up. In fact, quite the opposite is the case. Demand today is about 20% greater than new supply and has been for a while, and this at a time when inflation has been virtually non-existent. Inevitably, the market equilibrium will reassert itself.

But whatever the gold price environment, our discipline and our focus on simple business fundamentals – quality reserves, low-cost production, and a strong balance sheet – allow us to look ahead with confidence.

Our strong financial position puts us in an enviable situation. Our cash flows have totalled more than $2.1 billion over the past five years and are growing. As a result, we can fund all our planned capital expansion from internally generated funds.

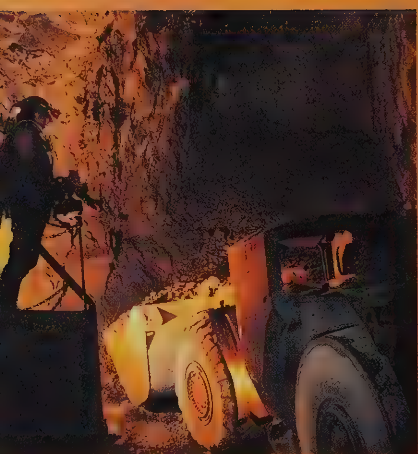
Currently, Barrick has close to $2 billion in financial resources available for any planned corporate activity. We have a debt-to-capitalization ratio of 0.13 to 1 and the only "A" rating of any gold mining company. We have no debt due for nine years. When opportunities present themselves, we can and will act quickly and decisively.

While gold markets have fluctuated over the years, Barrick's fundamentals have not. Yet our share price suffered during 1997 in line with the substantial gold price decline. Being shareholders ourselves, we understand the pain this causes and are committed to doing everything within our power to re-establish Barrick's stellar stock performance. Since Barrick's founding some 15 years ago, our management has stayed the course, remained prudent, opportunistic and disciplined in pursuing its major priority: creating shareholder value. That remains true today. This approach – and our past record – remains the foundation of our confidence in the future.

Peter Munk
Chairman and Chief Executive Officer
February 27, 1998

A dynamic plan for growth...

KEY OBJECTIVES



In September 1997, Barrick announced an operating plan designed to respond to the new realities of the gold marketplace. Barrick's strategy follows a comprehensive review of its properties and reflects the principles that have created the Company's success: prudence, financial discipline, a strict focus on profitability, balance sheet quality, and speed. It concentrates on high-quality, low-cost production in order to generate significant growth in cash flow.

Raise production to 3.5 million ounces by 1999

- Expand annual production at Meikle Mine to 765,000 ounces in 1998.
- Develop Pierina Mine in Peru to produce 750,000 ounces a year. Production is scheduled to begin in late 1998.
- Beyond that, develop Pascua Project in Chile. This has the potential to be the largest gold and silver mine in South America.

Lower costs to $150 per ounce in 1999

- Close five higher cost mines by the end of 1999.
- Expand production at Meikle Mine at a cost per ounce of about $90.
- Develop new production at Pierina at an expected cost per ounce of about $50, making it one of the lowest cost major gold mines in the world.

Increase cash flow substantially over the next two years

- Drive operating costs down by 18% and increase production by 17% by 1999.
- Continue Barrick's highly successful hedging program, which is generating an average realized price about $100 higher than current gold spot prices.
- Maintain the Company's exceptional financial strength so that Barrick can continue to fund its expansion internally.

◀ Remote controlled scoop-trams are used at underground operations to recover blasted ore from open stopes with complete safety.

Barrick's hedging program: the $4-billion position

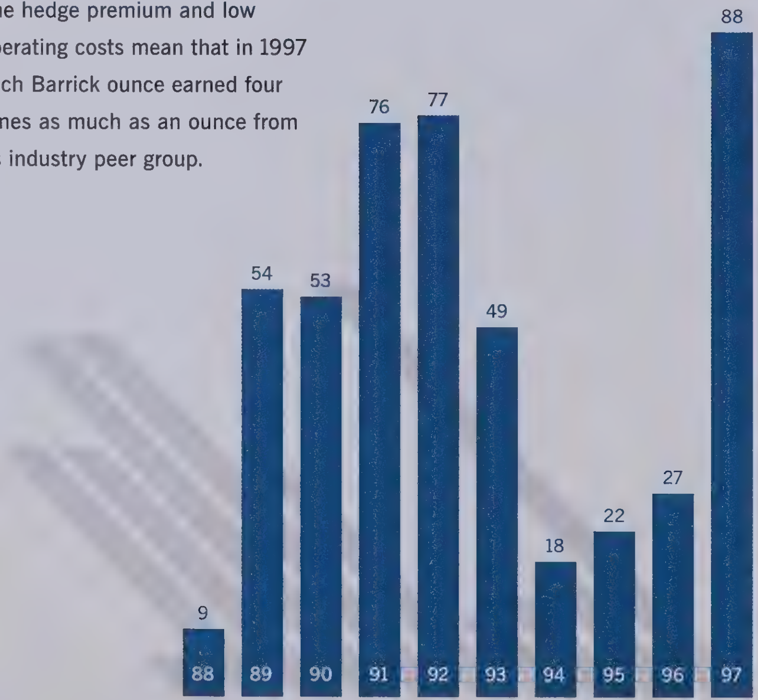
With over 10 million ounces of gold hedged at $400 per ounce, Barrick has created a $4-billion position. It manages this position as carefully as its mines to maximize revenue and to minimize gold price risk.

The hedging program marked its tenth anniversary of exceeding the spot price with a record performance in 1997: $269 million in additional revenue for the Company and $200 million in net earnings. Once again, because of hedging, Barrick's realized gold price has substantially exceeded the spot price. This has been the case, in varying market and world conditions, for ten straight years.

Hedging has contributed a total of $765 million in additional revenue and $580 million in additional net earnings over the last ten years. That works out to an average premium of $46 per ounce over the spot price, for every ounce sold, during that time.

BARRICK'S HEDGE PREMIUM
(US dollars per ounce)

The hedge premium and low operating costs mean that in 1997 each Barrick ounce earned four times as much as an ounce from its industry peer group.



INTEREST ON GOLD IN THE GROUND

While Barrick has developed sophisticated tools for its hedging program, the core process is straightforward. The Company sells its gold at the current spot price while the ounces are still in the ground, and earns interest on the proceeds from the spot sale before delivering its production against the contract.

The Company works with a bullion dealer and a central bank, which lends gold from its reserves to the dealer for the sale. When Barrick delivers its gold, which is used to repay the central bank, it receives the net proceeds from the sale: the original spot

price, plus accumulated income earned, minus the cost to borrow the gold.

The net interest is the forward premium ("contango") that each Barrick ounce earns because of hedging. Current contracts will earn over 7% interest on the proceeds from the spot sale while paying 2% interest on the borrowed gold, generating a premium of over 5% a year.

The Barrick Advantage

Barrick largely pioneered the hedging process in the gold industry and continues to earn a better return from it than others do. There are three main reasons:

1. **CONSISTENCY:** while the Company is selective about the timing of its gold sales, it adds to its hedge position on a regular, disciplined basis. Currently, the equivalent of three years of production are hedged.
2. **FAVOURABLE TERMS:** because of the size and quality of its reserves and balance sheet, Barrick enjoys the best terms in the industry for its hedge contracts.
3. **ACTIVE MANAGEMENT:** by being selective with the investment vehicles, Barrick now earns over 7% on its hedge contracts before lease costs. The current average yield in the money market for an equivalent term is 5.5%. Each additional 1% increase in yield generates $40 million a year in additional revenue.

PREMIUM AND PROTECTION

Through the use of spot deferred contracts (which it pioneered), the Company may either sell its gold at the hedge price when the contract matures, or – if the spot price is higher – sell its gold at spot instead and roll the contract forward. Barrick, which already had the ability to roll contracts forward up to 10 years, recently negotiated with one of its bullion dealers to extend the roll forward period to 15 years. No other company has this degree of flexibility, which has been granted Barrick because of the unequalled size and quality of its reserves and balance sheet.

BENEFITS

Hedging has allowed Barrick to become the kind of company it wants to be.

First, the dependable stream of hedged cash flow means Barrick can afford major projects and choose its own timing for them.

Second, it can maximize revenue and minimize gold price risk on each ounce produced.

Third, it knows its realized price going forward – and not just for the three years of current contracts. It can create the situation it wants – anywhere from participating in gold price improvement to blending contracts to extend the hedge benefit out through the life of its entire reserve base.

Nobody knows what the spot price will be going forward. Barrick, however, knows that by earning a net interest of 5% for 3 years, its ounces should realize, on average, an additional 15%.

Hedging has been a major factor in Barrick's success to date and is a major reason why shareholders can expect that same success in future.

> "Hedging has contributed a total of $765 million in additional revenue and $580 million in additional net earnings over the last ten years."
>
> Randall Oliphant
> *Executive Vice President and Chief Financial Officer*

Operations:

Stronger than ever

With 50.3 million ounces of high-grade reserves, virtually insulated from changes in current gold prices, and one of the lowest cash costs in the industry, Barrick enters 1998 stronger than ever.

KEY OPERATIONS

On the Goldstrike Property, the Betze-Post Mine produced 1.6 million ounces of gold in 1997 at $171 per ounce, and again replaced reserves. Meikle, the other outstanding mine on this Property, had an exceptional first full year of operation. It produced 574,308 ounces of gold at $103 per ounce and increased ore grade of its reserves by about 10%. The Canadian mines, Bousquet and Holt-McDermott, both had an excellent year in which they met or exceeded all production and cost targets.

OPERATING AND RESERVE INFORMATION

Gold reserves at $350 per ounce *(million ounces)*	50.3
Gold mineralized material *(million ounces)*	20.2
Gold production *(million ounces)*	3.0
Cash operating costs *($ per ounce)*	$ 182

OTHER OPERATIONS

On September 9, 1997, Barrick announced its operating plan, which calls for a focus on its low-cost properties. As part of this plan, Barrick is accelerating the closure of higher-cost mines that do not contribute significantly to earnings and cash flow. The affected mines, in order of scheduled closure, are: Mercur (1997), El Indio (1998), and Tambo, Bullfrog and Pinson (1999). The Golden Patricia Mine closed in early 1997, and Barrick subsequently sold its interest in the Doyon Mine in January 1998.

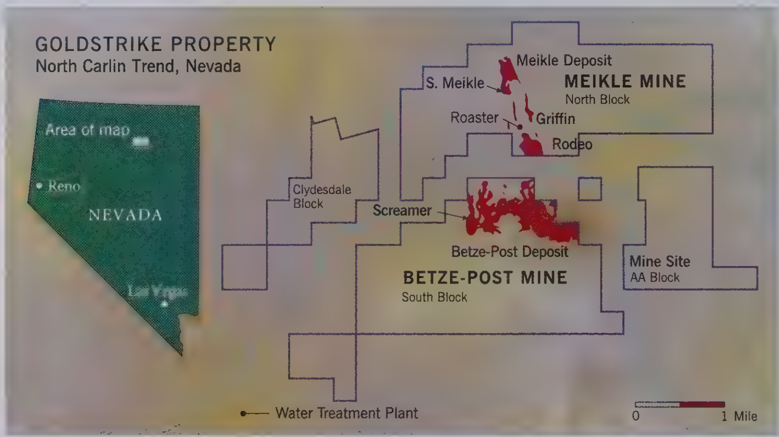
With 190-ton trucks like this one, and the rest of its $250-million fleet of equipment, Betze-Post Mine personnel moved 159 million tons of material in 1997.

"In 1997, Barrick met or exceeded all its operating targets. The Meikle Mine had an outstanding year and development work at Pierina was accelerated, which should permit mine opening in late 1998, one year ahead of original plan."

John Carrington
President and
Chief Operating Officer

Goldstrike and its two great mines

The Goldstrike Property lies on the rich Carlin Trend of north-central Nevada. With its two great mines, Betze-Post and Meikle, it remains the backbone of Company operations. Production rose and costs fell in 1997, for a Property total of 2.2 million ounces of gold at $153 per ounce. The 1998 target is 2.3 million ounces at $150 per ounce. Barrick expects significant success from the 1998 exploration program.



"Goldstrike should produce at least 2 million ounces of low-cost gold a year, for another ten years."

John Carrington
President and
Chief Operating Officer

EXPLORATION

During 1997, Betze-Post replaced reserves and definition drilling at Meikle increased its grade by nearly 10%, confirming the ongoing strength and potential of this Property. In 1998, Barrick plans to spend $5 million on surface drilling at Betze-Post, to explore further extensions in the Screamer area and to test new targets throughout the Property. In addition, a planned $4-million underground drilling program at Meikle will concentrate on three areas: at depth, in a new southern extension to Meikle, and in nearby Rodeo and Griffin deposits to the south of Meikle. Access to these underground areas will be through a decline from the Meikle shaft and the new Rodeo shaft, scheduled for completion in the first quarter of 1998. A 5,000-foot exploration tunnel connecting the two shafts will provide an excellent exploration

platform through a very promising area. A preliminary drilling program has identified a potential new area of high-grade material between Meikle and Griffin, with a 90-foot intersection grading 0.80 ounces of gold per ton.

THE ROASTER

Construction is expected to begin in the fall of 1998 on Goldstrike's $330-million roaster, which is scheduled to become fully operational in mid-2000. This facility should lower overall operating costs, increase processing flexibility and offer the most efficient way to process the 10 million ounces of carbonaceous reserves identified to date and contained in the Screamer, Rodeo and Griffin areas. The specific roaster technology was chosen for its excellent fit with Goldstrike's ore characteristics and its proven record of high performance, low operating costs and environmental compliance. Its capacity of 12,000 tons per day will raise total Goldstrike processing capacity to 29,500 tons per day.

WATER TREATMENT

The Goldstrike water treatment plant took less than a year from concept to start-up. It came into service in September 1997 under budget and is currently exceeding design expectations. With the completion of the plant, which processes 67,000 gallons of groundwater per minute from the mines, ongoing mining at Goldstrike and the Meikle expansion remain on schedule (See Technology – page 25).

The North Block area of the Goldstrike Property, looking west: Barrick expects considerable success from 1998 exploration, focused on Meikle, Rodeo, Griffin and Screamer.

Betze-Post: Barrick's biggest producer

"In 1997, Betze-Post once again replaced reserves, for a year-end total of 24.1 million ounces, the largest single gold deposit in the Americas."

Gregory Fauquier
Senior Vice President, United States Operations

The production target for Betze-Post in 1998 is 1.5 million ounces of gold, with costs of $180 per ounce.

In 1997, Betze-Post mined 159 million tons of material and produced 1.6 million ounces of gold at $171 per ounce. The movement in the southeast pit wall, experienced earlier in the year, has abated. This part of the pit, which is jointly held between Barrick and Newmont Gold Company, has been redesigned to incorporate all of the movement area in the southeast wall. All of the Barrick ounces originally included in the mine plan will be recovered.

1998 MINING

In 1998, the majority of the 150 million tons to be mined will come from the west side of the open pit (Sixth West Layback) and from the southeast quadrant of the pit (Second Southeast

Excellent equipment maintenance and high-tech dispatch and trolley systems raise productivity and lower costs.

Layback). Under the 1992 Betze-Post Joint Operating Agreement, Barrick, as the operator, mines contiguous deposits owned by Newmont. Newmont processes all its own ore.

OPTIMIZING GOLDSTRIKE

Betze-Post and Meikle are both managed to optimize their contributions to the Property as a whole. Ore from both mines is processed in the 17,500-tons-per-day autoclaving and carbon-in-leach processing facility. As part of this strategy, some Betze-Post ore is currently being displaced by higher-grade Meikle ore. The Betze-Post material is being stockpiled for processing at a later date.

OPERATING AND RESERVE INFORMATION	Betze-Post	Meikle
Gold reserves at $350 per ounce *(million ounces)*	24.1	5.3
Average reserve grade *(ounces per ton)*	0.18	0.78
Gold mineralized material *(million ounces)*	7.5	1.3
Gold production *(ounces)*	1,605,836	574,308
Cash operating costs *($ per ounce)*	$ 171	$ 103

Meikle: an outstanding year for Barrick's newest mine

Meikle turned in an outstanding performance in 1997 to mark its first full year of operation. Production reached 574,308 ounces of gold – 32% above target – at below-budget cash operating costs of $103 per ounce. The 1998 target for this compact, high-grade ore body is 765,000 ounces of gold, at $90 per ounce.

"Meikle is a principal reason why Barrick expects to produce 3.5 million ounces at $150 per ounce in 1999."

Louis Dionne
Senior Vice President, Underground Operations

SUCCESS IN 1997

Meikle's outstanding year is the result of higher than expected grade, the quality of its people and smooth performance in every aspect of the operations (from backfill and hoisting to equipment, mining method and refrigeration). Excellent dilution control and good ground conditions were both factors in achieving processed ore grades of 0.81 ounces of gold per ton.

RISING GRADE

As a result of 130,000 feet of definition drilling during 1997 on the lower and upper sections of the main zone ore bodies, the average grade of Meikle's 5.3 million ounces of reserves was raised to 0.78 ounces of gold per ton from 0.72.

Underground exploration drill station at the 1200-foot level of Meikle Mine, testing for extensions between Meikle and Griffin to the east. A $4-million, 210,000-foot drilling program is planned in 1998 to discover and delineate new reserves.

Definition drilling has indicated that fewer tons at a better grade will have to be mined to obtain the same ounces than indicated by earlier surface drilling. This change has very positive implications for the economics of future production.

MINING

Meikle entered production in September 1996, and now averages a mining rate of 2,200 tons per day. Mining is taking place in the upper, relatively flat zone of the deposit and the upper portion of the underlying steep zone, which contains the bulk of the ore.

EXPANSION

The production shaft will be deepened in 1998, as part of an expansion project to provide an access, a main ventilation intake and an ore handling system to mine deeper ore. Following the expected completion in the second quarter 1999, at a cost of approximately $23 million, this expansion will provide most of the main infrastructure of the mine for its working life as currently planned.

1998 OUTLOOK

Meikle is expected to have a better year than 1997 for three main reasons: mining is currently taking place in the high grade centre of the ore body, ground conditions are better than expected, and productivity is enhanced through an increase in stoping dimensions.

The Canadian mines: production and potential

Barrick has two quality assets in Canada: the Bousquet Mine, located on the Abitibi Greenstone Belt in northwestern Quebec, and the Holt-McDermott Mine, located on the extension of that same rich belt into northeastern Ontario. Together, these mines contribute 10% of Company production. Their 1998 target is 300,000 ounces, at an average operating cost of $180 per ounce.

OPERATING AND RESERVE INFORMATION	Bousquet	Holt-McDermott
Gold reserves at $350 per ounce *(ounces)*	906,000	705,000
Average reserve grade *(ounces per ton)*	0.24	0.20
Gold mineralized material *(ounces)*	1,064,000	363,000
Gold production *(ounces)*	169,750	116,474
Cash operating costs *($ per ounce)*	$ 194	$ 139

"Holt-McDermott and Bousquet had an excellent year. They met or exceeded all their targets."

Louis Dionne
Senior Vice President, Underground Operations

BOUSQUET MINE

The Mine spent $6 million in 1997 and will spend another $7 million in 1998 to develop the new 3-1 Zone at depth. The Zone has an average grade of 0.32 ounces of gold per ton and is scheduled to enter production in 1999. There is also further potential below the 3-1 Zone. As part of the Doyon Mine sale, Barrick received Cambior Inc.'s 50% interest in the El Coco exploration property, raising Barrick's ownership to 100%. This property lies only 1.5 kilometres from the existing Bousquet ore body and contains known mineralization. The Company sees good potential from all these sources to increase reserves.

HOLT-McDERMOTT MINE

By fine-tuning its technological processes, the Mine's mill capacity is expected to reach 2,200 tonnes per day by mid-1998, resulting in additional custom milling capacity. A shaft-deepening project is now under consideration, which would permit mining of the deeper portion of the South Zone and provide a platform to explore at depth. Holt-McDermott has good reserve potential.

Barrick's next low-cost mine:
Pierina

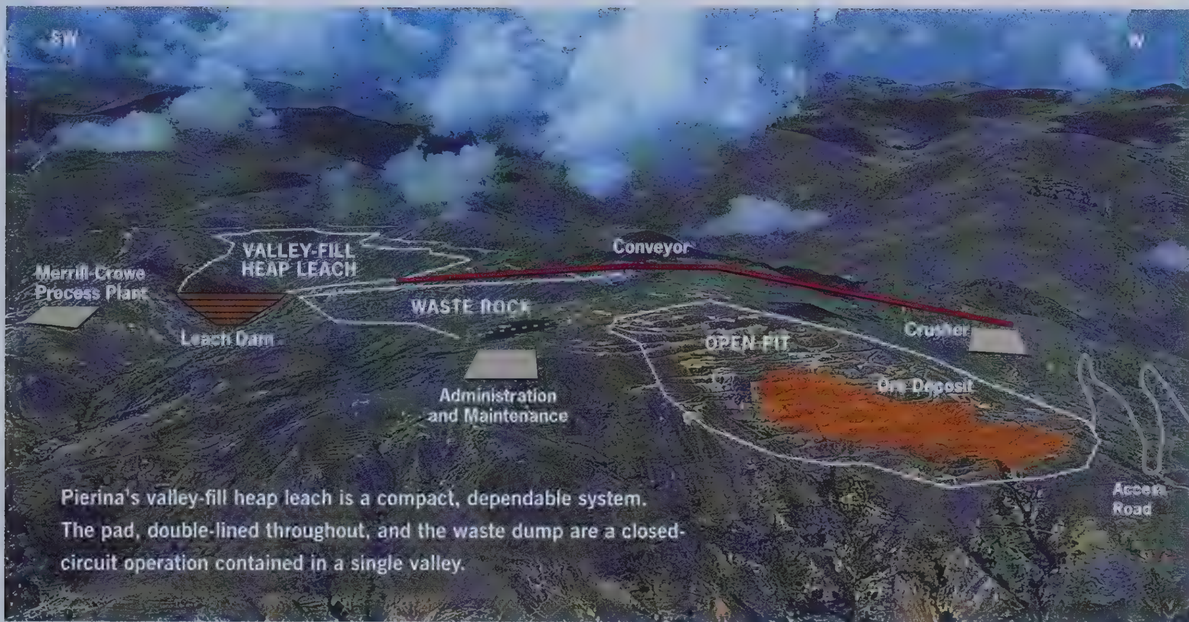
The Pierina Mine is on track for completion in late 1998, with estimated construction costs of $260 million. Annual production for the first three years is expected to be 750,000 ounces of gold, at $50 per ounce. At year-end, Barrick increased reserves to 7.2 million ounces of gold, bringing total reserves and gold mineralized material at this 100%-owned mine to more than 8 million ounces. Pierina also has reserves of 56 million ounces of silver, which will reduce costs by approximately $15 per ounce.

PIERINA DEPOSIT

The Pierina deposit, which remains open to the southeast, lies on the Pierina Belt in the Andes of central Peru, 18 kilometres from the city of Huaráz. An at-surface portion of the reserves, near the north end of the deposit, carries the highest grade ore. Mining of this ore, which requires no overburden removal, will allow the Mine to maximize production from the beginning. Pierina will be an open-pit mine, with a mine life of at least 11 years. Processing is planned to start at 19,500 tonnes per day, increasing to 27,000 tonnes per day after two years.

VALLEY-FILL HEAP LEACH

In early 1997, Barrick decided to heap leach the deposit rather than use a milling process. Tests showed that leaching would achieve an 80% gold recovery rate, comparable to milling, but at lower capital and operating costs. This decision made project



Pierina's valley-fill heap leach is a compact, dependable system. The pad, double-lined throughout, and the waste dump are a closed-circuit operation contained in a single valley.

economics even more attractive. It has accelerated the planned mine opening by one year and brought additional ounces into reserves because of the lower costs.

Barrick chose valley-fill heap leaching because it is a process well suited to the mountainous terrain and which has already been used successfully by Barrick at the Mercur Mine in Utah. The ore will be crushed next to the pit and conveyed three kilometres to the leach pad. This pad will be located in a valley behind a retaining dam, where the gold bearing leach solution will collect. Over time, ore will be stacked in lifts progressing further up-valley, expanding both the surface area and volume of material under leach. The leach solution will be pumped to a Merrill-Crowe process plant. Every aspect of the Mine will meet Barrick's strict environmental standards for design and operation.

CRITICAL PATH

During 1997, the Company completed all basic engineering, obtained mine development permits, ordered all mine and processing equipment, and began site preparation and construction of the access road. Detailed engineering is about 80% completed and full project development is proceeding well. At the same time, the Company is building a strong mining team, largely from the pool of talent available in Peru.

"Pierina is an outstanding deposit. It will have a low strip ratio of 1.4:1 and is projected to achieve 80% gold recoveries by heap leaching."

Alan Hill
Executive Vice President, Development

Looking beyond 1999: still-growing potential at Pascua

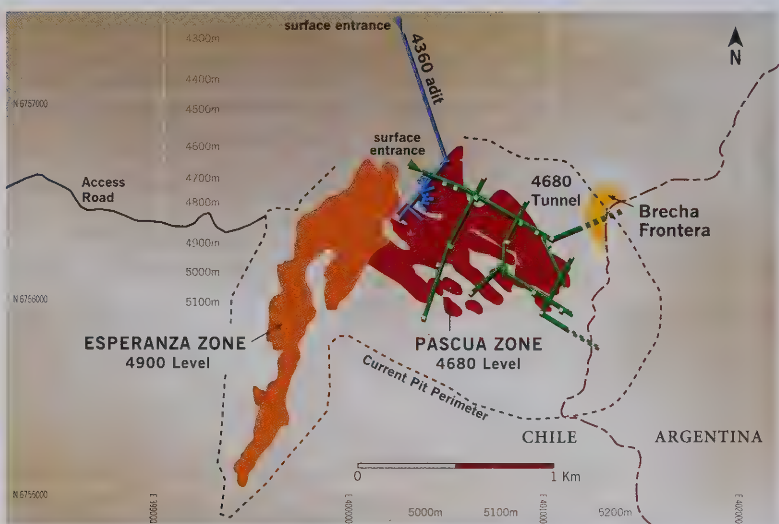
Gold reserves at the Pascua Property in Chile have risen to over 11 million ounces and silver reserves now stand at 335 million ounces. Because of the groundwork laid in 1997, the Company expects sizeable additions to reserves in 1998.

"Pascua has the potential to become the largest gold and silver mine in South America. We are very encouraged by our progress with this project."

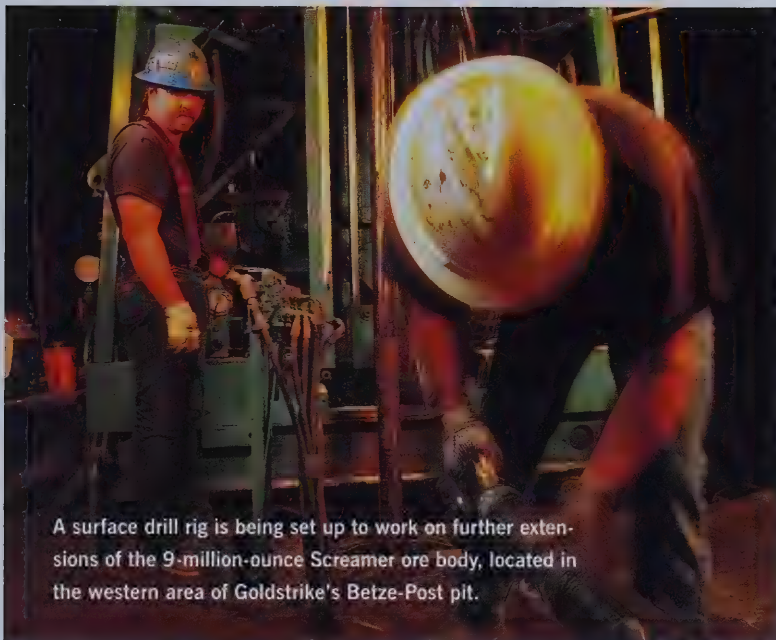
Alan Hill
Executive Vice President, Development

GROUNDWORK FOR SUCCESS

In 1997, Barrick brought 1 million ounces of gold mineralization into reserves, increased direct ownership of Pascua to over 90%, and purchased the Lama Property, which lies on the projected extension of the Pascua ore body just inside the Argentina border. Surface drilling revealed a new ore zone near the border called Brecha Frontera. A series of tunnels was also completed that will allow drilling at depth at Brecha Frontera and of the whole ore body. Under an agreement between the governments of Chile and Argentina, called the Pascua Protocol, Barrick will be able to test extensions of the Pascua ore body into Argentina and further explore Frontera. Assay work showed that Pascua's 335 million ounces of silver have a consistent grade of 2 ounces per ton. During 1998, it is anticipated that sufficient reserve work will be done to permit completion of detailed engineering studies.



In 1998, Barrick will work from tunnels and surface to test the new Brecha Frontera Zone and ore body extensions into Argentina.



A surface drill rig is being set up to work on further extensions of the 9-million-ounce Screamer ore body, located in the western area of Goldstrike's Betze-Post pit.

"We have more than one million acres on four of the best gold belts in the world: Carlin Trend, Pierina, El Indio and Abitibi."

Alex Davidson
Senior Vice President, Exploration

Vigorous exploration on existing properties

Under Barrick's operating plan, exploration is being concentrated on the significant potential of the Company's existing high-quality assets. The 1998 program has a budget of $70 million, with half devoted to existing operating properties.

1998 FOCUS

Half of the $70 million budget will be spent on reserve development at Goldstrike and Pascua, where the Company expects to obtain sizeable additions to reserves as a result. The balance will be devoted to exploration in other areas on the four key gold belts. Major projects on the belts include: the Lama Properties on the El Indio Belt, which host extensive areas of Pascua-type breccias and ore-grade mineralization on the surface; several properties on the Pierina Belt, which host areas of favourable alteration that will be tested in 1998; the Dee Property in Nevada, which lies one mile north of Meikle along the Post Fault and has excellent potential for Meikle-type ore at depth; and the western extensions of the Holt-McDermott Property on the Abitibi Belt, where 1997 drilling intersected ore-grade mineralization and extensive hydrothermal alteration. In addition to its own program, Barrick will continue working with selected junior partners.

Technology:
A history of success

Barrick has been a consistent leader in mining and metallurgical technology since 1990, when it commissioned the first of six autoclaves at the Goldstrike Property and introduced large-scale autoclaving to the gold industry. With the completion of the sixth unit in 1993, Barrick set a standard that its technologies have been meeting ever since. Whether developed by Barrick or adapted from elsewhere, each is innovative, cost-effective and dependable.

Meikle cooling plant

Mining

GOLDSTRIKE FLEET MANAGEMENT

- first in North America to use computerized dispatch and electric-assisted trolleys
- dispatch increased productivity by 15% and paid for itself within three months

MEIKLE COOLING PLANT

- largest such plant in the Americas
- dependably cools air by 50% for safe, comfortable working conditions
- high performance since 1996 start-up

REMOTE-CONTROLLED MINING

- leader in use of high-tech laser measuring equipment and remote-controlled scooptrams
- permits complete, safe ore recovery at all underground mines

Four test heaps at Pierina used to confirm amenability of the ore to leaching.

GOLDSTRIKE PREDICTIVE MAINTENANCE

- replaces routine servicing with regular testing of the fleet that permits just-in-time maintenance and gives higher availability
- high return on investment through longer equipment life

Processing

GOLDSTRIKE ASSAY OFFICE

- helps Barrick do faster, better work at lower cost, with 100 determinations per shift, compared to an industry average of 50-60
- semi-automated approach allows separate modification of any segment of the process, raising efficiency and encouraging innovation

GOLDSTRIKE AUTOCLAVES

- first large-scale use in the gold industry
- process patented by Barrick
- 93% availability rate over five years

PIERINA HEAP LEACH

- site-specific valley-fill design
- accelerates planned mine opening by one year, with recoveries comparable to milling, but at lower capital and operating costs

LOW-GRADE FLOTATION

- process developed to boost recoveries of low-grade sulphidic ores
- increases flexibility of response to different ore types

GOLDSTRIKE ROASTER

- will be the largest facility of its kind in the world for gold recovery
- scheduled for commissioning in mid-2000

Goldstrike Roaster
Roasters
Two-stage ball mill

New Technologies

AMMONIUM THIOSULPHATE TECHNOLOGY

- patented alternate technology developed by Barrick for processing carbonaceous ores and ores in environmentally sensitive areas

MICROBEAM ANALYTICAL TECHNOLOGY

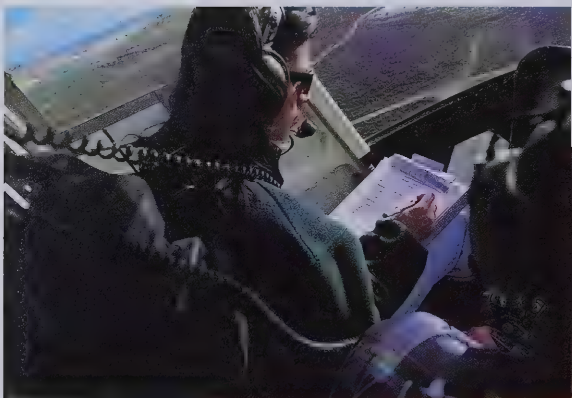
- used on every ore body to reveal where the gold is and in what combinations
- goes beyond traditional empirical processes, which only quantify the amount of gold, allowing faster and more certain processing choices

GOLDSTRIKE WATER TREATMENT PLANT

- treats 67,000 gallons of water per minute, improving quality to better than drinking-water standards
- one year from concept to smooth start-up
- Barrick applying for patent for advances in removing boron and fluoride from large volumes of water

Social and Environmental Responsibility

Barrick demonstrates its commitment to sound social and environmental policies by protecting the environment, strengthening the social fabric of the communities in which it operates and nurturing the health, safety and entrepreneurial spirit of its employees.



ENVIRONMENT

Barrick applies the same high standards to all its environmental practices, whether measuring stream flows in the Humboldt River (left) or checking the integrity of the canal from the water treatment plant to the Humboldt (left, above). Land reclamation takes place concurrently with mining and continues after mining ceases. The Company constantly seeks operational improvements; conserves water; protects flora and fauna, as well as cultural and archeological resources; and manages waste to securely contain all hazardous materials.

COMMUNITY RELATIONS

Barrick's policy is to contribute 1% of earnings to charitable endeavours in the communities where it operates. After a 1997 survey of the Pierina area (Huaráz market, left), conducted through an independent research institute, Barrick began developing priorities for its social programs in the area. By early 1998, it had already equipped a shock-trauma centre, intensive care unit and emergency department for the regional state hospital.

Environmental Awards

In 1997, Barrick received the following prestigious awards for its environmental leadership:

- Governor's Award for Excellence in Mining Reclamation and Innovation, to the Bullfrog Mine in Nevada;
- Earth Day Award from the Utah Division of Oil, Gas & Mining, to the Mercur Mine; and
- Calvin K. Sudweeks Award of the Utah Water Quality Board to Glenn Eurick, Barrick's Director of Environmental Relations, United States Operations.

EMPLOYEE RELATIONS

Under the Barrick Scholarship Program, each child of Barrick employees is entitled to Company-paid scholarships for post-secondary education. To date, 2,350 scholarships have been awarded with a total value of about $5 million.

Financial
strength

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

As a consequence of the weak gold market, the Company undertook a comprehensive review of its mining properties during 1997. In September, the Company outlined a new operating plan to increase production, lower operating costs and increase cash flow. Under the plan the Company will focus on its core properties and phase out five higher cost mines. As a result of this new strategy, gold production is expected to increase by 17% to 3.5 million ounces and cash operating costs are expected to decline by 18% to $150 per ounce by 1999. This combination of higher production and lower costs should lead to a significant rise in cash flow over the period.

Net income in 1997 was $262 million ($0.70 per share) before the provision for mining properties. This was slightly higher than $256 million in 1996 ($0.70 per share) before a provision for an exploration project. During the third quarter of 1997, a non-cash provision of $431 million ($385 million after tax) was taken to cover the write-down of the carrying values associated with the phasing out of five higher-cost mines. As a result, the Company recorded a loss for the year of $123 million ($0.33 per share), compared to net income of $218 million ($0.60 per share) in 1996.

Revenues

GOLD SALES

In 1997, the Company realized $420 per ounce on gold sales from its gold price hedging program, compared to $415 in 1996 and $406 in 1995. Barrick generated an $88 per ounce premium over the average spot price of $332 per ounce in 1997, or $269 million in additional revenue. Over the past ten years, the program has enabled Barrick to realize an average of $46 per ounce over the average spot price per ounce sold during the period.

Revenue from gold sales was $1,284 million on 3,058,546 ounces sold in 1997, compared with $1,299 million reported in 1996 on gold sales of 3,128,941 ounces. Revenue in 1997 declined only marginally as slightly lower gold production was partially offset by a higher realized price.

The Company expects to realize an average price of $400 per ounce for its 1998 production target of 3 million ounces of gold, a $100 per ounce premium compared to the current spot price of approximately $300 per ounce.

OPERATING COSTS

The Company reduced total operating costs by 5% to $655 million in 1997 compared with $691 million in 1996. The performance at the Goldstrike Property and the Canadian properties, where average cash operating costs declined by $8 and $10 per ounce, respectively, more than offset higher costs and lower production at the properties being phased out. Operating costs in 1998 are expected to decline to $170 per ounce, as a result of higher production at the low-cost Meikle Mine and the phasing out of the higher-cost mines. Costs are expected to decline further in 1999 to $150 per ounce, when the Pierina Mine comes into full production at a projected cash operating cost of approximately $50 per ounce.

"Our balance sheet has high liquidity and low leverage, and we are the only gold company in the world with an 'A' credit rating. Our financial strength puts us in an enviable position."

Randall Oliphant
Executive Vice President and Chief Financial Officer

Cash Operating Costs

(US dollars per ounce)

The Goldstrike Property, which accounted for over 70% of the Company's gold production, reported cash operating costs of $153 per ounce, better than the 1996 costs of $161 per ounce. The primary reason for the favourable cost performance was higher production at the Property. This was attributable to a full year of production from the high-grade Meikle Mine, the processing of higher-grade ore and better than expected mill recoveries. In 1998, operating costs at the Goldstrike Property are expected to be comparable to the 1997 costs. Increased production at the Meikle Mine, resulting from higher ore grade and throughput, is expected to offset lower ore grade and a higher life-of-mine stripping ratio at the Betze-Post Mine.

At the Canadian properties, comprised of the Bousquet and Holt-McDermott Mines, costs of $172 per ounce represented a 5% improvement over 1996 and were lower than expected. Higher than planned ore grades and by-product credits at the Bousquet Mine and lower costs at the Holt-McDermott Mine, contributed to the excellent results. Operating costs in 1998 at these properties are expected to be slightly higher than the 1997 level.

Operating costs at the other properties were higher than 1996. At the Doyon Mine, lower production from lack of development and delays in the Mine's expansion resulted in higher costs. Barrick's interest in the Doyon Mine was

Barrick's cash operating costs of $182 per ounce are well below the western world average of $262 per ounce.

COSTS AND EXPENSES
Production costs per ounce

	Goldstrike Property		Canadian Properties		Other Properties		Total	
	1997	1996	**1997**	1996	**1997**	1996	**1997**	1996
Gold production – ounces *(thousands)*	**2,180**	2,013	**286**	349	**582**	787	**3,048**	3,149
Cash operating costs	**$ 153**	$ 161	**$ 172**	$ 182	**$ 297**	$ 279	**$ 182**	$ 193
Royalties and production taxes	**31**	33	**–**	–	**10**	10	**24**	24
Total cash costs	**184**	194	**172**	182	**307**	289	**206**	217
Depreciation and amortization	**44**	37	**87**	79	**115**	103	**62**	58
Reclamation	**2**	3	**5**	4	**31**	7	**8**	4
Total production costs	**$ 230**	$ 234	**$ 264**	$ 265	**$ 453**	$ 399	**$ 276**	$ 279

sold in January 1998 for $95 million, with $50 million received on closing and $45 million due later in 1998. In addition, as consideration, Barrick received an interest in an exploration property and a gold price participation right on future production from the Doyon Mine. At the El Indio Mine, weather conditions significantly hampered production and increased costs. This mine is expected to be phased out by the end of 1998.

More than 90% of the Company's royalties expense and production taxes are incurred at the Goldstrike Property, where the majority of production carries a 4% net smelter royalty, a 5% net profits interest royalty and a 5% net proceeds tax to the State of Nevada. Royalty and net proceeds tax costs fluctuate with the average spot price of gold and changes in production, operating and capital costs. As expected, 1997 royalties and net proceeds tax on a per ounce basis remained at the 1996 level of $24 per ounce and are expected to be similar in 1998.

DEPRECIATION AND AMORTIZATION

Total depreciation and amortization of $188 million in 1997 was slightly higher than 1996. Depreciation at $62 per ounce was slightly higher than the $58 per ounce in 1996, because of marginally lower gold production and an overall increase in depreciation with the addition of the new Meikle Mine. In 1998, depreciation is expected to be similar to 1997.

ADMINISTRATION

Administration costs increased to $36 million in 1997 from $33 million in 1996 due to higher capital tax at Canadian operations. Costs included World Gold Council and other industry association membership fees of $9 million in 1997. In 1998, administration costs are expected to be in line with the 1997 level.

EXPLORATION AND RESERVE DEVELOPMENT

In 1997, total expenditures were $109 million, $9 million higher than planned owing to additional expenditures on the four major gold belts in North and South America. Of this total, $64 million was expensed.

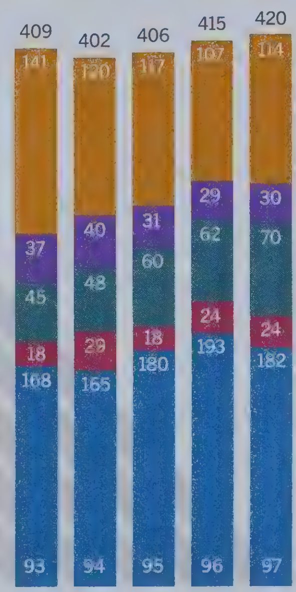
In 1997, the Company added more than 5 million ounces on its core properties. The Company replaced the 3 million ounces of gold produced during the year and nearly replaced 2.4 million ounces removed from reserves through the sale of the Doyon Mine and the phasing out of five other mines.

Net Operating Income

(US dollars per ounce)

- Net Operating Income
- Income Tax
- Depreciation and Reclamation
- Royalties and Production Taxes
- Cash Operating Costs

Gold Sales Revenue



The Company's profit margin increased to over 27% in 1997, the highest of any major gold producer.

Barrick's exploration and reserve growth strategy is now focused on and around its properties on the major gold belts of North and South America. This strategy is directed towards finding multi-million-ounce gold deposits that will both sustain and increase Barrick's growth in production.

The Company has budgeted $70 million for exploration and reserve development in 1998, half of which will be spent at Goldstrike and Pascua. The remainder is earmarked for new projects in North and South America.

INTEREST EXPENSE

In 1997, the Company incurred $44 million in interest expense, relating to the revolving credit facility and the $500 million debentures issued in May 1997. The total amount was capitalized to properties under development. In 1998, interest of $38 million is expected to be capitalized. The capitalized interest will be amortized once the properties under development have commenced production.

PROVISION FOR MINING PROPERTIES

The $431 million ($385 million, net of tax) provision taken in 1997 was comprised of the following: $341 million, or 79%, was related to expenditures on mining and processing facilities at the El Indio and Tambo Mines in Chile. The balance was related principally to the phasing out of the Bullfrog, Mercur and Pinson Mines in the United States.

INCOME TAXES

The Company's average effective tax rate, before provisions for mining properties, has been constant over the past three years at approximately 25% and is expected to remain at this level in 1998. Reference is made to Note 7 to the Consolidated Financial Statements for a detailed income tax reconciliation.

CASH FLOW AND LIQUIDITY

Cash flow provided by operating activities improved to $470 million ($1.26 per share), compared with $463 million the year before ($1.28 per share). Operating cash flow is expected to continue at this level in 1998 and rise in 1999.

Barrick's capital expenditures in 1997 of $327 million were higher than the $275 million planned for the year, but comparable to 1996. A further $45 million was spent on reserve development on existing mines, for a total of $372 million on property, plant and equipment.

The higher-than-planned capital expenditures were primarily attributable to the Company's decision to accelerate the development of the Pierina Property resulting in an additional $50 million of development costs.

At Pierina, total expenditures of $103 million included $59 million for engineering, site infrastructure, leach pad preparation and drilling, and $44 million of capitalized interest. At the Goldstrike Property, $90 million was spent primarily for the completion of the water treatment facility and deferred stripping at the Betze-Post Mine. A further $20 million was spent at the Meikle Mine for underground development and shaft sinking at Rodeo. At Pascua, $45 million was spent on metallurgical and engineering work, access road construction, increased direct ownership in Pascua and the acquisition of the Lama Property. The balance of $69 million was spent principally for underground development at the remaining eight operating mines.

Reserve development accounted for $45 million being spent on drilling activities principally at the Pascua Property in Chile and the Goldstrike Property in the United States.

For 1998, total expenditures are estimated at $510 million, consisting of capital expenditures of $475 million and deferred

exploration of $35 million. Capital expenditures include $250 million for completion of the Pierina Mine construction, including capitalized interest of $35 million. At the Goldstrike Property, $130 million is budgeted, primarily for the roaster facility, deferred stripping and mine equipment at Betze-Post, and a further $45 million for shaft deepening and development at Meikle and Rodeo. At Pascua, $30 million is planned, principally for metallurgical and engineering work and construction of the access road. The balance of $20 million is mainly for underground development at the Canadian properties. The capital and deferred exploration expenditure programs are to be funded from cash flow from operations and existing cash balances.

During 1997, the Company paid dividends of $0.16 per share compared with $0.14 per share in 1996 and $0.12 per share in 1995.

LONG-TERM DEBT

During the year, the Company issued $500 million of debentures which bear interest at 7.5% per annum and will mature May 1, 2007. The proceeds were used to repay $500 million drawn under its $1-billion revolving credit facility.

Risk Management

FINANCIAL RISK

Barrick actively manages its exposure to gold prices, currencies, interest rates and by-product commodity prices for copper and silver. The Company uses a variety of hedging products to mitigate these risks. These instruments are used solely for hedging purposes related to the Company's specific exposures, not for trading purposes.

OPERATIONAL RISK

Barrick continually assesses the mining risks encountered at each of its operations. It reduces both the likelihood and the potential severity of such risks through its high operational standards, emphasis on employee training, and the risk management and loss control programs in place at each mine site. The Company also maintains adequate insurance at all times to cover normal business risks.

Further, operational risk is minimized through both asset and reserve diversification. Currently, just over 50% of the Company's assets and 65% of its reserves are in North America, the balance being in South America. Over 50% of Barrick's gold mineralized material is in South America.

The political risk of operating in Chile and Peru was assessed and management is comfortable that there is little risk to corporate assets.

In each country where it has operations Barrick is subject to various levels of government control and regulation, and is thus exposed to the risk of potentially adverse future changes. The Company endeavours to ensure that it is at all times in compliance with current laws, and it seeks to foster an equitable future climate through both direct and industry-wide contact with appropriate regulatory bodies. Barrick draws on the expertise of its management team, its Board of Directors and International Advisory Board, and a broad range of financial advisors to help assess risk before making an investment in a particular country.

The Year 2000 Issue could potentially affect most companies. The issue is that many computers and date-sensitive devices that utilize microprocessors may be unable to correctly process dates that occur after 1999. The Company is reviewing possible effects of this issue on its financial and operating systems. Initially, this review has concentrated on the Company's head office and its key properties – Goldstrike and Pierina. The key financial systems at these properties and the corporate office are Year 2000 compliant or are expected to be by the end of 1998 at minimal costs. The review of the operating systems is ongoing. To date, nothing has come to management's attention

that would indicate that this issue is operationally and financially unmanageable.

THE COMPETITIVE ENVIRONMENT

Barrick competes with other mining companies for exploration properties, for joint-venture agreements and for the acquisition of attractive gold companies. Such competition could increase the difficulty of concluding a negotiation on terms that the Company considers acceptable. However, a number of factors strengthen Barrick's competitive position. It is an entrepreneurial company, with financial and operational strength to move quickly and effectively as the situation warrants.

Barrick also operates from a position of strength through the quality of its people. The Company seeks out the best people from around the world, and then retains them through excellent remuneration, high corporate standards of operation and the professional opportunities that it provides. Barrick has one of the lowest turnover rates in the industry.

OUTLOOK

Barrick has set a course for growth in production and cash flow through its new operating plan. This growth in the face of weak market conditions is made possible by Barrick's outstanding strengths: the high quality of its assets, its low and falling operating costs, and the Company's singularly successful hedge program. Taken together, these strengths result in a large and growing cash flow that will permit Barrick to fund all planned expenditures through internally generated cash flows. Excellent assets, fiscal discipline, operational excellence and a strong, liquid balance sheet give Barrick the strength to plan its own course.

The quality of Barrick's reserve base is demonstrated by the fact that in 1997 the Company replaced more than 5 million ounces removed from 1996 reserves through production, mine closures and sale, as well as through a change in the basis of calculating reserves from $400 per ounce gold to $350. Furthermore, even with a $50 drop in the calculation price to $300 gold, Barrick's reserves would still be more than 93% intact, reflecting the Company's low cost of production.

Operating costs are expected to decline to $170 per ounce in 1998 and decline further to $150 per ounce in 1999, well below the current western world average of $262 per ounce.

Over the past ten years, Barrick's hedge program has demonstrated that it can both maximize revenue and minimize the gold price risk. This is especially important given that in early 1998, gold prices declined to an 18-year low of approximately $280 per ounce. Under the Company's 10-million-ounce hedge position, 100% of 1998 and 1999 gold production is hedged at a minimum price of $400 per ounce. This represents a $100 per ounce premium over the current spot price, or more than $650 million in additional revenue over the two-year period.

Barrick's balance sheet continues to be characterized by high liquidity and low leverage. The Company has close to $2 billion of financial resources available with its $1-billion revolving credit facility, its $292 million cash and, subject to negotiation of acceptable terms, an ability to quickly raise an additional $500 million under the unsecured debt shelf filing. Its debt-to-capitalization ratio of 0.13 to 1 is among the lowest in the gold industry. Barrick is the only gold company in the world with an "A" credit rating.

The ability to consistently generate cash flow to fund existing operating capital and development programs, combined with a strong balance sheet, gives Barrick unparalleled flexibility to set its own course. Over and above the growth expected under its new operating plan, Barrick is well positioned to take advantage of future opportunities to increase reserves and production and deliver higher earnings and cash flow for its shareholders.

Consolidated Statements of Income

Barrick Gold Corporation
for the years ended December 31, 1997, 1996 and 1995
(in millions of United States dollars except per share data)

	1997	1996	1995
Revenues			
Gold sales	**$ 1,284**	$ 1,299	$ 1,281
Interest and other income	**10**	19	26
	1,294	1,318	1,307
Costs and expenses			
Operating	**655**	691	635
Depreciation and amortization	**188**	183	181
Administration	**36**	33	31
Exploration	**64**	66	49
Interest on long-term debt	**–**	10	21
Provision for mining properties *(note 3)*	**431**	45	–
	1,374	1,028	917
Income (loss) before taxes	**(80)**	290	390
Income taxes *(note 7)*	**(43)**	(72)	(98)
Net income (loss) for the year	**$ (123)**	$ 218	$ 292
Net income (loss) per share *(note 6)*			
Basic	**$ (0.33)**	$ 0.60	$ 0.83
Fully diluted	**$ (0.33)**	$ 0.60	$ 0.82

Consolidated Statements of Retained Earnings

Barrick Gold Corporation
for the years ended December 31, 1997, 1996 and 1995
(in millions of United States dollars)

	1997	1996	1995
Retained earnings at beginning of year	**$ 1,143**	$ 976	$ 727
Net income (loss)	**(123)**	218	292
Dividends *(note 6)*	**(60)**	(51)	(43)
Retained earnings at end of year	**$ 960**	$ 1,143	$ 976

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flow

Barrick Gold Corporation
for the years ended December 31, 1997, 1996 and 1995
(in millions of United States dollars)

	1997	1996	1995
Cash provided by (used in) operating activities			
Net income (loss)	$ (123)	$ 218	$ 292
Non-cash items:			
Depreciation and amortization	188	183	181
Deferred income taxes	(42)	14	15
Provision for mining properties	431	45	–
Other	5	(2)	(1)
	459	458	487
Cash provided by (reinvested in) working capital			
Bullion settlements and other receivables	37	17	(12)
Inventories	(5)	(22)	(6)
Accounts payable and accrued liabilities	(21)	10	33
Cash provided by operating activities	470	463	502
Cash provided by (used in) development activities			
Property, plant and equipment	(372)	(374)	(385)
Property acquisition	–	(422)	–
Short-term investments	–	–	71
Other	4	(23)	31
Cash (used in) development activities	(368)	(819)	(283)
Cash provided by (used in) financing activities			
Capital stock *(note 6)*	6	22	11
Long-term obligations			
Proceeds	500	500	121
Repayments	(501)	(154)	(411)
Dividends	(60)	(51)	(43)
Cash provided by (used in) financing activities	(55)	317	(322)
Increase (decrease) in cash	47	(39)	(103)
Cash at beginning of year	245	284	387
Cash at end of year	$ 292	$ 245	$ 284

See accompanying notes to consolidated financial statements.

Consolidated Balance Sheets

Barrick Gold Corporation
As at December 31, 1997 and 1996
(in millions of United States dollars)

	1997	1996
Assets		
Current assets		
Cash	**$ 292**	$ 245
Bullion settlements and other receivables	**62**	107
Inventories *(note 2)*	**92**	131
	446	483
Property, plant and equipment *(note 3)*	**3,824**	3,991
Other assets	**36**	41
	$ 4,306	$ 4,515
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$ 163**	$ 167
Current portion of long-term obligations *(note 5)*	**30**	25
	193	192
Long-term debt *(note 4)*	**500**	500
Reclamation and closure liabilities *(note 5)*	**144**	135
Deferred income taxes	**145**	187
	982	1,014
Shareholders' equity		
Capital stock *(note 6)*	**2,364**	2,358
Retained earnings	**960**	1,143
	3,324	3,501
	$ 4,306	$ 4,515

Commitments and contingencies (note 9)
See accompanying notes to consolidated financial statements.

Signed on behalf of the Board

Peter Munk
Director

C. William D. Birchall
Director

Notes to Consolidated Financial Statements

Barrick Gold Corporation *(tabular dollar amounts in millions of United States dollars)*

1. Accounting Policies

These consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada. As described in note 10, these principles differ in certain respects from principles and practices generally accepted in the United States. Summarized below are those policies considered particularly significant for the Company. References to the Company included herein mean the Company and its consolidated subsidiaries.

The United States dollar is the principal currency of the Company's business; accordingly, these consolidated financial statements are expressed in United States dollars.

A. NATURE OF OPERATIONS

The Company is engaged in gold mining and related activities including exploration, development, mining and processing in the United States, Canada, Chile and Peru.

B. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. BASIS OF CONSOLIDATION

These consolidated financial statements include the accounts of the Company and its subsidiaries and a proportionate share of the accounts of joint ventures in which the Company has an interest.

D. TRANSLATION OF FOREIGN CURRENCIES

The United States dollar is the functional currency of all of the Company's operations which are classified as integrated for foreign currency translation purposes.

Under the temporal method, translation gains or losses are included in the determination of net income.

E. FINANCIAL INSTRUMENTS

The carrying amounts for cash, bullion settlements and other receivables, accounts payable and accrued liabilities on the balance sheets approximate fair value because of the limited term of these instruments. The fair value of long-term debt is $528 million (1996 – $500 million) reflecting the decline in interest rates since the debt was incurred. See note 9(a) for additional disclosures related to financial instruments used for hedging purposes.

Fair value estimates are made at the balance sheet date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Financial instruments that subject the Company to credit risk comprise cash on deposit. The Company limits its exposure by dealing with a number of major financial institutions which meet its credit rating standards.

F. CASH AND CASH EQUIVALENTS

Cash and equivalents comprise cash, term deposits and treasury bills, with original maturity dates of less than 90 days.

G. INVENTORIES

Gold in process and mine operating supplies are valued at the lower of average cost and net realizable value.

H. PROPERTY, PLANT AND EQUIPMENT

(i) Property acquisition and deferred mine costs

Property acquisition and deferred mine costs are recorded at cost and amortized by the units of production method based on estimated recoverable ounces of gold. Estimated recoverable ounces include proven and probable reserves and a component of mineralized material.

(ii) Buildings and equipment

Buildings and equipment are recorded at cost and depreciated, net of residual value, using the straight-line method based on the estimated useful lives of the assets. The maximum estimated useful lives of buildings and mill equipment is 25 years and mine equipment is 15 years. Repairs and maintenance expenditures are charged to operations; major improvements and replacements which extend the useful life of an asset are capitalized and depreciated over the remaining estimated useful life of that asset.

(iii) Deferred stripping costs

Mining costs associated with waste rock removal are deferred and charged to operating expenses on the basis of the average stripping ratio for the mine. The average stripping ratio is calculated as a ratio of the tons of material estimated to be mined to the estimated recoverable ounces of gold.

(iv) Properties in development

Costs incurred on assets in development are capitalized until such assets are put in service, at which time the capitalized costs are depreciated in accordance with the policies described above.

Financing costs, including interest, are capitalized on the basis of expenditures incurred for the acquisition and development of projects, without restriction to specific borrowings for these projects, while the projects are actively being prepared for proposed production. Capitalization is discontinued when the asset is ready for its intended use.

(v) Mineral exploration

Mineral exploration expenditures are charged to income as incurred. Property acquisition costs relating to exploration properties and expenditures incurred on properties identified as having development potential are deferred on a project basis until the viability of the project is determined. Costs associated with economically viable projects are depreciated and amortized in accordance with the policies described above. If a project is not viable, the accumulated project costs are charged to operations in the year in which that determination is made.

(vi) Property evaluations

The Company reviews and evaluates the recoverability of property, plant and equipment on a periodic basis. Estimated future net cash flows, on an undiscounted basis, from each property are calculated using estimated recoverable ounces of gold (considering current proven and probable reserves and mineralization expected to be classified as reserves); estimated future gold price realization (considering historical and current prices, price trends and related factors); and operating, capital and reclamation costs. Reductions in the carrying value of property, plant and equipment, with a corresponding charge to earnings, are recorded to the extent that the estimated future net cash flows are less than the carrying value.

Estimates of future cash flows are subject to risks and uncertainties. It is reasonably possible that changes could occur which may affect the recoverability of property, plant and equipment.

I. COMMODITY AND FOREIGN EXCHANGE CONTRACTS

Commodity and foreign exchange contracts ("hedging transactions") the Company enters into meet the criteria for hedge accounting and are accounted for on this basis. Hedging transactions substantially eliminate the risk associated with price volatility of the related currencies and commodities; they are matched to anticipated future production for commodities and cash flows for currencies and are designated in the accounting records as a hedge.

The Company regularly monitors its metal and currency exposures and ensures that hedge contract amounts do not exceed the amounts of underlying exposures. The Company does not hold or issue commodity or foreign currency contracts for trading purposes.

Primarily, the Company enters into hedging transactions which provide a minimum price for designated future gold production. These include spot deferred contracts and option contracts. Similar contracts are used to hedge by-products such as silver and copper.

Contracted prices on spot deferred sales and options are recognized in gold sales as designated production is delivered to meet the commitment. In the event of early settlement of hedge contracts, gains or losses are deferred and brought into income at the delivery dates originally designated. Where the related underlying transactions are no longer expected to occur, with the effect that a hedge no longer exists, unrealized gains or losses are recognized in income at the point such a determination is made.

Cash flows arising in respect of hedging transactions are recognized within the financial statements under cash flow from operating activities.

J. REVENUE RECOGNITION

Gold poured, in transit and at refineries, is recorded at net realizable value and included in bullion settlements and other receivables and gold sales. Revenue from the sale of by-products such as silver and copper is credited against operating costs.

K. INCOME TAXES

The Company records income and mining taxes on the tax allocation basis. Differences between amounts reported for tax purposes and for accounting purposes may result in deferred income and mining taxes. Deferred income and mining taxes relate primarily to the depreciation and amortization of property, plant and equipment costs.

Unremitted earnings of the Company's foreign subsidiaries, which represent substantially all of the Company's retained earnings, have been indefinitely reinvested and accordingly no provision has been made for taxes on repatriation of these earnings.

The CICA Accounting Standards Board recently approved a standard on Income Taxes which adopts the liability approach based on the temporary differences method of accounting for income taxes. The standard is similar in many respects to the United States accounting standard FAS No. 109. The new standard which is effective as of 2000, is currently being reviewed, however, the Company does not expect it to have a material effect on net income.

2. Inventories

	1997	1996
Current:		
Gold in process	**$ 57**	$ 68
Mine operating supplies	**35**	63
	$ 92	$ 131
Non-current (included in property, plant and equipment):		
Ore in stockpiles	**$ 105**	$ 93

3. Property, Plant and Equipment

	1997			1996		
	Cost	**Accumulated Depreciation**	**Net**	Cost	Accumulated Depreciation	Net
Property acquisition and deferred mine costs	**$ 1,347**	**$ 349**	**$ 998**	$ 1,401	$ 360	$ 1,041
Buildings and equipment	**962**	**297**	**665**	1,376	330	1,046
Mineral properties in development	**1,643**	**–**	**1,643**	1,303	–	1,303
Deferred stripping costs and ore in stockpiles	**268**	**–**	**268**	273	–	273
Mineral exploration	**250**	**–**	**250**	328	–	328
	$ 4,470	**$ 646**	**$ 3,824**	$ 4,681	$ 690	$ 3,991

In September 1997, following a comprehensive evaluation of its mining properties, on a basis set out in note 1(h), the Company took a $385 million charge to earnings, net of income taxes of $46 million, to cover the writedown of the carrying values associated with the El Indio and Tambo Mines in Chile and the Bullfrog, Mercur and Pinson Mines in the United States.

4. Long-Term Debt

A. REVOLVING CREDIT FACILITY

The Company has a credit and guarantee agreement (the "Credit Agreement") with a group of international banks (the "Lenders"). The Credit Agreement provides for the Lenders to make available to the Company and subsidiaries designated by it from time to time a credit facility in the maximum amount of $1 billion or the equivalent amount in Canadian currency. The Credit Agreement, which is unsecured, is for a five-year term. The facility has an interest rate of Libor plus 0.15% when utilized, and an annual fee of 0.075%. The amount outstanding at December 31, 1996 of $500 million was repaid during the year. As at December 31, 1997, no amounts were drawn under the Credit Agreement.

B. 7½% DEBENTURES

On April 22, 1997 the Company issued $500 million of redeemable, non-convertible debentures. The debentures bear interest at 7½% per annum, payable semi-annually, and mature on May 1, 2007.

C. INTEREST

Interest of $44 million was incurred during the year (1996 – $20 million, 1995 – $21 million). Of this amount $44 million was capitalized to properties in development (1996 – $10 million, 1995 – nil).

5. Reclamation and Closure Liabilities

Estimated reclamation and closure costs are accrued and charged to income over the estimated life of a mine by the units of production method based on estimated recoverable ounces of gold. Although the ultimate amount of reclamation and closure costs to be incurred is uncertain, the Company has estimated planned site reclamation and remediation, which it believes will meet current regulatory requirements, to be $210 million, $140 million of which has been accrued to December 31, 1997 (1996 – $116 million). Closure costs are estimated at $44 million, $34 million of which has been accrued to December 31, 1997 (1996 – $27 million). A total of $30 million of these accruals is included in current liabilities at December 31, 1997 (1996 – $25 million). The future changes, if any, in regulations and cost assumptions may be significant and will be recognized when applicable.

6. Capital Stock

A. AUTHORIZED CAPITAL

Authorized capital stock of the Company is comprised of an unlimited number of common shares, 9,764,929 First preferred shares, Series A and 9,047,619 Series B, and 14,726,854 Second preferred shares, Series A.

B. ISSUED AND OUTSTANDING SHARES

Details of issued and outstanding shares are as follows:

Common shares *(millions)*	**Issued**	**Amount**
Outstanding at December 31, 1994	353	$ 1,890
Issued during 1995		
In part consideration for an exploration property	3	71
For cash	1	11
Outstanding at December 31, 1995	357	1,972
Issued during 1996		
In part consideration for an exploration property	14	364
For cash	2	22
Outstanding at December 31, 1996	373	2,358
Issued during 1997		
For cash	–	6
Outstanding at December 31, 1997	373	$ 2,364

In 1996, the Company acquired the Pierina Property. As part of the consideration, 14 million shares of the Company were issued. The Company assigned a value of $364 million to the shares as required by generally accepted accounting principles, based on the quoted market price for the shares less a 5% discount which represented the issue costs that would otherwise have been incurred.

C. SHAREHOLDER RIGHTS PLAN

In December 1997, the Board of Directors adopted a Shareholder Rights Plan (the "Plan") which is subject to shareholder approval at the annual meeting scheduled for May 12, 1998. The Plan will be in effect until the 2002 shareholders' meeting.

The rights issued under the Plan become exercisable only when a person, including any party related to them, acquires, or announces their intention to acquire, 20% or more of Barrick's outstanding common shares without complying with the "Permitted Bid" provisions or without approval of the Board of Directors. Should such an acquisition occur, each right would entitle a holder, other than the acquiring person and persons related to it, to purchase common shares of Barrick at a 50% discount to the market price.

A Permitted Bid is a bid made to all shareholders that is open for at least 60 days. If at the end of 60 days, at least 50% of the outstanding shares, other than those owned by the offeror and certain related parties, have been tendered, the offeror may take up and pay for the shares, but must extend the bid for a further 10 days to allow other shareholders to tender.

D. COMMON SHARE PURCHASE OPTIONS

There are common share purchase options outstanding, expiring at various dates to December 9, 2007. The options vest over the first four years at a rate of one quarter each year, beginning in the year subsequent to granting and are exercisable over 7 to 10 years.

As at December 31, 1997, 13 million (1996 – 17 million, 1995 – 20 million) common shares, beyond those outstanding at year end, were available for granting of options. The following is a summary of common share purchase options:

(shares in millions)	**1997**	1996	1995
Outstanding at beginning of year	**17**	16	15
Granted at an average price of C$25.08 per share (1996 – C$40.95, 1995 – C$34.11)	**4**	3	3
Exercised at an average price of C$22.76 per share (1996 – C$20.09, 1995 – C$13.99)	**–**	(2)	(1)
Cancelled	**(1)**	–	(1)
Outstanding at end of year	**20**	17	16
Outstanding at end of year consists of			
Price range C$11.88 – C$19.31 (weighted average: 1997 – C$12.89, 1996 – C$13.02, 1995 – C$13.30)	**4**	4	5
Price range C$22.55 – C$44.25 (weighted average: 1997 – C$31.49, 1996 – C$33.77, 1995 – C$31.47)	**16**	13	11
	20	17	16
Exercisable at end of year			
Price range C$11.88 – C$19.31 (weighted average: 1997 – C$12.89, 1996 – C$13.02, 1995 – C$13.11)	**4**	4	5
Price range C$22.55 – C$44.25 (weighted average: 1997 – C$32.39, 1996 – C$31.54, 1995 – C$31.34)	**7**	5	3
	11	9	8

E. NET INCOME PER SHARE

Net income per share was calculated on the basis of the weighted average number of common shares outstanding for the year, which amounted to 373 million shares (1996 – 363 million shares, 1995 – 354 million shares).

Fully diluted net income per share reflects the dilutive effect of the exercise of the common share purchase options outstanding as at December 31, 1997. The number of shares for the fully diluted net income per share calculation was 373 million shares (1996 – 367 million shares, 1995 – 366 million shares).

F. DIVIDENDS

In 1997, the Company declared and paid dividends in United States dollars totaling $0.16 per share (1996 – $0.14, 1995 – $0.12 per share).

7. Income Taxes

As the Company operates in a specialized industry and in several tax jurisdictions, its income is subject to varying rates of taxation. Major items causing the Company's income tax provision to differ from the Canadian federal income tax rate of 38% are set out below:

	1997	1996	1995
Canadian federal income tax rate	**$ (31)**	$ 110	$ 148
Increase (decrease) resulting from:			
Resource and depletion allowances	**(43)**	(43)	(49)
Tax rates of other jurisdictions	**74**	(19)	(19)
Portion of provision for mining properties not tax effected	**30**	–	–
Exploration expenditures not tax effected	**–**	19	8
Non-deductible depreciation and amortization arising from acquisitions	**6**	3	11
Miscellaneous	**7**	2	(1)
Income tax expense	**$ 43**	$ 72	$ 98
The principal timing differences and their tax effect are as follows:			
Deferred mining and exploration costs	**$ 9**	$ 18	$ 13
Depreciation and amortization	**(32)**	(4)	2
Reclamation	**(3)**	–	–
Net operating loss	**(16)**	–	–
	$ (42)	$ 14	$ 15
Details of income tax expense are as follows:			
Current	**$ 85**	$ 58	$ 83
Deferred	**(42)**	14	15
	$ 43	$ 72	$ 98

8. Business Segments

The Company operates in the gold mining industry primarily in four geographic areas: the United States, Canada, Chile and Peru.

	1997	1996	1995
Revenues			
Gold sales			
United States	**$ 1,036**	$ 953	$ 961
Canada	**160**	209	190
Chile	**88**	137	130
	$ 1,284	$ 1,299	$ 1,281
Depreciation and amortization			
United States	**$ 114**	$ 95	$ 105
Canada	**40**	44	39
Chile	**34**	44	37
	$ 188	$ 183	$ 181
Net income (loss)			
Operating income (loss)			
United States	**$ 335**	$ 371	$ 405
Canada	**40**	59	31
Chile	**(365)**	(5)	29
Peru	**–**	(45)	–
	10	380	465
Exploration	**(64)**	(66)	(49)
General corporate expenses, net	**(26)**	(24)	(26)
Income taxes	**(43)**	(72)	(98)
	$ (123)	$ 218	$ 292
Identifiable assets by geographic area			
United States	**$ 1,886**	$ 1,896	$ 1,883
Chile	**1,023**	1,280	1,138
Peru	**933**	818	45
Canada	**429**	475	411
Other countries	**35**	46	79
Total assets	**$ 4,306**	$ 4,515	$ 3,556

Operating income in 1997 includes provisions for mining properties in Chile of $347 million and the United States of $84 million.

9. Commitments and Contingencies

A. HEDGING

As part of its gold hedging program, the Company has entered into spot deferred contracts with several major financial institutions to deliver 10.1 million ounces of gold, or 20% of the Company's gold reserves, at December 31, 1997. The contracts have an average price of $374 per ounce at their initial maturity dates. Based on existing designations, forward rates and production targets, the Company expects to realize $400 per ounce in 1998 and 1999 for its gold sales. The Company has further contracts in place designated from 2000 to 2004. Delivery under these spot deferred contracts can be deferred at the Company's option for up to ten years.

As a portion of the Company's operating costs and capital expenditures are denominated in foreign currencies, it has entered into forward exchange contracts to maintain its purchasing power relative to the United States dollar. As at December 31, 1997, the Company has committed to spend $74 million in 1998 to purchase Chilean indexed pesos with an expected exchange rate equivalent to 446 pesos per $1.00. In addition the Company has entered into foreign exchange contracts to purchase C$100 million in 1998 at an exchange rate of $0.73 for each Canadian dollar, and an additional C$205 million in the following two years at $0.74 for each Canadian dollar. The Company has entered into spot deferred contracts to deliver 29 million ounces of silver over the next five years at an average price of $5.30 per ounce. The Company has entered into a series of copper put options which provide a minimum price of $0.90 per pound for 25 million pounds of the Company's 1998 copper production.

Realization under these hedge contracts is dependent upon the ability of the counterparties to perform in accordance with the terms of the contracts; however, the Company's credit risk is limited to unrealized gains existing at any time. The Company attempts to minimize its credit exposure by limiting its counterparties to major financial institutions that meet the Company's credit rating standards, limiting the maximum exposure to any one counterparty, and spreading exposure among a minimum number of counterparties. The Company does not require collateral from its counterparties.

The aggregate unrealized gain of the net market value of the Company's hedge positions, based on forward rates, the gold price of $289 per ounce and the silver price of $6.00 per ounce as at December 31, 1997 amounted to approximately $825 million (1996 – $270 million).

B. ROYALTIES

Most of the properties comprising the Betze-Post and Meikle Mines are subject to a 4% net smelter return and a 5% net profits interest royalty payable on the valuable minerals produced from the properties.

C. ENVIRONMENTAL

The Company's mining and exploration activities are subject to various federal, provincial and state laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

D. CLAIMS

The Company is from time to time involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company is also subject to reassessment for income and mining taxes for certain years. It does not believe that adverse decisions in any pending or threatened proceedings related to any potential tax assessments or other matters, or any amount which it may be required to pay by reason thereof, will have material adverse effect on the financial condition or future results of operations of the Company.

10. Differences from United States Accounting Principles

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada. The Company monitors differences between Canadian and US GAAP, none of which have a material effect on the Company's reported net income for the year except as noted below.

A. ACQUISITIONS

Acquisitions would have been accounted for based on the US GAAP method used to value shares issued as consideration. In determining the value of the shares exchanged in acquisitions, for accounting purposes under US GAAP, the Company has used the unadjusted quoted market price of its shares based on the understanding that US GAAP, including the Securities and Exchange Commission requirements, only permits adjustments to the quoted market price in very limited circumstances, such as where the holders are restricted in their ability to sell the securities exchanged.

In addition, acquisitions would have been accounted for gross of underlying tax effects of treating non-deductible acquisition costs as temporary differences, as required by FAS No. 109, with an offsetting credit to deferred income taxes. This method of accounting would have no effect on the Company's reported net income for the year.

Following a further evaluation of the Company's mining properties on the basis set out in note 1(h) for the purposes of the 1997 annual financial statements and reflecting a further decline in the market price for gold during the fourth quarter of 1997, a $340 million charge, net of tax of $60 million, was taken to US GAAP earnings to write down the carrying value associated with the potential of mineral exploration properties which have been carried at higher amounts under US GAAP as set out above.

B. STOCK-BASED COMPENSATION

US GAAP encourages but does not require companies to include in compensation cost the fair value of stock options granted to employees. A company that does not adopt the fair-value method must disclose the cost of stock compensation awards, at their fair value, at the date the award is granted. The fair value of the Company's options was estimated using the Black-Scholes model with assumptions of a 4½- to a 6-year expected term, 30% volatility, interest rates ranging from 5.1% to 5.4% and an expected dividend yield ranging from 0.44% to 0.71%. Under US GAAP the cost of stock compensation for the year ended December 31, 1997 would be $16 million (1996 – $7 million). The resulting pro forma net loss and loss per share for the year ended December 31, 1997 is $478 million and $1.28 respectively (1996 – net income of $211 million and earnings per share of $0.58).

C. DEFERRED TAX LIABILITIES

The amount of unrecognized deferred tax liability for temporary differences related to the Company's investments in the United States and Chile which are essentially permanent in duration is $88 million (1996 – $226 million).

Net deferred tax assets include $34 million relating to operating loss carry forwards, the recognition of which is based on the Company's judgment regarding its ability to utilize the related tax losses against future income.

Loss carry forwards amount to $490 million, of which $335 million do not expire and $155 million expire at various times over the next 3 to 15 years.

The components of the Company's deferred tax liability at December 31 are as follows:

	1997	1996
Deferred income tax asset (liability)		
Reclamation	**$ 42**	$ 39
Operating loss carry forwards	**119**	87
Valuation allowance	**(85)**	(68)
	76	58
Property, plant and equipment	**(457)**	(539)
Deferred income tax liability	**$ (381)**	$ (481)

D. BALANCE SHEETS

The following summarizes the balance sheet amounts in accordance with US GAAP where different from the amounts reported under Canadian GAAP:

	1997		1996	
	Canadian GAAP	United States GAAP	Canadian GAAP	United States GAAP
Property, plant and equipment	$ 3,824	$ 4,008	$ 3,991	$ 4,572
Deferred income taxes	145	381	187	481
Shareholders' equity	3,324	3,270	3,501	3,787

E. INCOME STATEMENTS

The following summary sets out the adjustments to the Company's reported net loss in order to conform to accounting principles generally accepted in the United States:

	1997	1996	1995
Net income (loss) for the year as reported	$ (123)	$ 218	$ 292
Provision for exploration properties	(340)	–	–
Net income (loss) for the year based on United States accounting principles	$ (463)	$ 218	$ 292
Net income per share for the year (dollars)			
Basic	$ (1.24)	$ 0.60	$ 0.83
Fully diluted	$ (1.24)	$ 0.60	$ 0.82

F. NEW STANDARDS

The Company adopted FAS No. 128 "Earnings Per Share" during the year. The application of the standard had no effect on previously reported earnings per share.

In 1997, the Financial Accounting Standards Board issued two new standards which will be effective for the Company's 1998 fiscal year. The standards relate to the reporting of comprehensive income and disclosures about segments of a company and related information. The standards have no impact on the Company's reported US GAAP income.

MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying consolidated financial statements and all of the data included in this annual report have been prepared by and are the responsibility of the Board of Directors and Management of the Company. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada and reflect Management's best estimates and judgments based on currently available information. The Company has developed and maintains a system of internal accounting controls in order to ensure, on a reasonable and cost effective basis, the reliability of its financial information.

The consolidated financial statements have been audited by Coopers & Lybrand, Chartered Accountants. Their report outlines the scope of their examination and opinion on the consolidated financial statements.

Randall Oliphant
Executive Vice President and Chief Financial Officer
Toronto, Canada
February 27, 1998

AUDITORS' REPORT TO THE SHAREHOLDERS OF BARRICK GOLD CORPORATION

We have audited the consolidated balance sheets of Barrick Gold Corporation as at December 31, 1997 and 1996 and the consolidated statements of income, retained earnings and cash flow for each of the three years in the period ended December 31, 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1997 and 1996 and the results of its operations and its cash flow for each of the three years in the period ended December 31, 1997 in accordance with accounting principles generally accepted in Canada.

Coopers & Lybrand

Chartered Accountants
Toronto, Canada
February 9, 1998

Reserves and Gold Mineralized Material

The table on the next page sets forth Barrick's interest in the total proven and probable gold reserves at each property, based on a gold price of $350 per ounce (1996 – $400 per ounce). For definitions of proven and probable reserves and gold mineralized material, see Definitions, below.

The proven and probable gold reserves at the Goldstrike, Pierina and Pascua Properties, which represent 93% of the Company's estimated total contained ounces as at December 31, 1997, have been audited by Pincock, Allen & Holt, a division of Hart Crowser, Inc., an independent international mineral consulting firm.

The Company has carefully prepared and verified the ore reserve figures and believes that its method of estimating reserves has been verified by mining experience.

These figures are estimates, however, and no assurance can be given that the indicated quantities of gold will be produced. Gold price fluctuations may render ore reserves containing relatively lower grades of gold mineralization uneconomic. Moreover, short-term operating factors relating to the ore reserves, such as the need for orderly development of ore bodies or the processing of new or different ore grades, could affect the Company's profitability in any particular accounting period.

DEFINITIONS

CONTAINED OUNCES: represents ounces in the ground without the reduction of ounces not recovered by the applicable metallurgical process.

RESERVE GRADE: estimated metal content of an ore body, based on reserve calculations.

RESERVES: that part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination. Reserves are customarily stated in terms of ore when dealing with metalliferous minerals. There are two categories of reserves:

PROVEN ORE: material for which tonnage and grade are computed from dimensions revealed in outcrops, trenches, underground workings or drill holes; grade is computed from the results of adequate sampling; and the sites for inspection, sampling and measurement are so spaced and the geological character so well-defined that size, shape and mineral content are established.

PROBABLE ORE: material for which tonnage and grade are computed partly from specific measurements, samples or production data and partly from projection for a reasonable distance on geological evidence; and for which the sites available for inspection, measurement and sampling are too widely or otherwise inappropriately spaced to outline the material completely or to establish its grade throughout.

GOLD MINERALIZED MATERIAL: mineralization based on geological evidence and assumed continuity. May or may not be supported by samples but is supported by geological, geochemical, geophysical or other data. This material is sufficiently geologically defined to be deemed potentially economic, yet is not in a definitive mine plan. This material requires reasonable cut-off grade criteria and has no untenable non-technical issues barring its exploitation.

	December 31, 1997			December 31, 1996		
	Tons *(thousands)*	Grade *(ounce per ton)*	Contained Ounces *(thousands)*	Tons *(thousands)*	Grade *(ounce per ton)*	Contained Ounces *(thousands)*
GOLDSTRIKE PROPERTY						
Betze-Post Mine						
Proven and probable	**132,825**	**0.181**	**24,058**	122,677	0.192	23,603
Mineralized material	**45,608**	**0.165**	**7,503**	55,755	0.189	10,558
Meikle Mine						
Proven and probable	**6,754**	**0.782**	**5,283**	8,468	0.716	6,065
Mineralized material	**1,780**	**0.732**	**1,303**	1,383	0.717	992
CANADIAN PROPERTIES						
Bousquet Mine						
Proven and probable	**3,794**	**0.239**	**906**	4,326	0.248	1,072
Mineralized material	**6,302**	**0.169**	**1,064**	5,420	0.186	1,006
Holt-McDermott Mine						
Proven and probable	**3,526**	**0.200**	**705**	3,635	0.201	731
Mineralized material	**2,373**	**0.153**	**363**	5,902	0.149	880
PIERINA PROPERTY						
Proven and probable	**112,482**	**0.064**	**7,191**	67,724	0.096	6,478
Mineralized material	**29,584**	**0.030**	**878**	13,717	0.056	764
PASCUA PROPERTY (100%)*						
Proven and probable	**194,436**	**0.058**	**11,210**	172,047	0.059	10,069
Mineralized material	**174,632**	**0.034**	**5,965**	132,953	0.050	6,702
OTHER PROPERTIES						
Proven and probable	**14,124**	**0.146**	**2,064**	49,138	0.104	5,113
Mineralized material	**47,691**	**0.078**	**3,715**	61,451	0.087	5,352
TOTAL – BARRICK'S SHARE*						
Proven and probable			**50,318**			51,117
Mineralized material			**20,206**			24,914

**Barrick ownership of Pascua is 90.2%.*

Operating and Financial Information

GOLDSTRIKE PROPERTY	Betze-Post Mine (100% owned)		Meikle Mine (100% owned)		CANADIAN PROPERTIES Bousquet Mine (100% owned)	
OPERATING INFORMATION *(thousands)*	**1997**	1996	**1997**	1996	**1997**	1996
Tons of ore milled	**5,487.1**	6,038.3	**740.9**	160.2	**666.6**	892.9
Average grade *(ounces per ton)*	**0.319**	0.353	**0.811**	0.527	**0.265**	0.270
Recovery rate *(%)*	**91.0**	90.0	**95.6**	93.0	**96.2**	96.0
Ounces of gold produced from:						
Mill ore	**1,593.3**	1,909.0	**574.3**	78.4	**169.8**	231.4
Leach ore	**12.5**	26.0	**–**	–	**–**	–
Total ounces produced	**1,605.8**	1,935.0	**574.3**	78.4	**169.8**	231.4
FINANCIAL INFORMATION *(dollars)*						
Gold sales per ounce	**$ 420**	$ 415	**$ 420**	$ 415	**$ 420**	$ 415
Production costs per ounce						
Direct mining costs	**$ 173**	$ 126	**$ 105**	$ 142	**$ 253**	$ 252
Applied (deferred) stripping	**(2)**	36	**–**	–	**–**	–
By-product credits	**–**	–	**(2)**	–	**(59)**	(59)
Cash operating costs per ounce	**171**	162	**103**	142	**194**	193
Royalties	**26**	27	**16**	12	**–**	–
Production taxes	**7**	7	**8**	–	**–**	–
Total cash costs per ounce	**204**	196	**127**	154	**194**	193
Depreciation and amortization	**41**	36	**53**	62	**95**	80
Reclamation	**3**	3	**1**	1	**4**	5
Total production costs per ounce	**$ 248**	$ 235	**$ 181**	$ 217	**$ 293**	$ 278
Operating cash flow per ounce	**$ 216**	$ 219	**$ 293**	$ 261	**$ 226**	$ 222
Capital expenditures *(millions)*	**$ 75**	$ 62	**$ 20**	$ 61	**$ 7**	$ 7
Deferred (applied) stripping/ stockpile *(millions)*	**$ 15**	$ (40)	**–**	–	**–**	–

OTHER PROPERTIES

Holt-McDermott Mine (100% owned)		Bullfrog Mine (100% owned)		Tambo Mine (100% owned)		El Indio Mine (100% owned)	
1997	1996	**1997**	1996	**1997**	1996	**1997**	1996
461.5	483.7	**3,070.7**	3,008.6	**2,080.1**	2,489.4	**855.0**	1,179.3
0.262	0.251	**0.073**	0.073	**0.075**	0.074	**0.123**	0.172
96.5	96.9	**92.2**	93.0	**85.4**	86.7	**78.2**	83.4
116.5	117.6	**206.2**	205.3	**133.3**	159.3	**81.9**	169.4
–	–	–	–	–	–	–	–
116.5	117.6	**206.2**	205.3	**133.3**	159.3	**81.9**	169.4
$ 420	$ 415	**$ 420**	$ 415	**$ 420**	$ 415	**$ 420**	$ 415
$ 140	$ 160	**$ 279**	$ 293	**$ 348**	$ 385	**$ 869**	$ 601
–	–	**5**	(5)	**(38)**	(74)	–	–
(1)	–	**(7)**	(7)	**(11)**	(12)	**(530)**	(338)
139	160	**277**	281	**299**	299	**339**	263
–	–	**12**	11	**10**	8	**12**	17
–	–	**1**	1	–	–	–	–
139	160	**290**	293	**309**	307	**351**	280
75	76	**47**	37	**136**	105	**203**	160
7	2	**19**	3	**11**	5	**31**	4
$ 221	$ 238	**$ 356**	$ 333	**$ 456**	$ 417	**$ 585**	$ 444
$ 281	$ 255	**$ 130**	$ 122	**$ 111**	$ 108	**$ 69**	$ 135
$ 4	$ 4	**$ 5**	$ 8	**$ 5**	$ 10	**$ 26**	$ 76
–	–	**$ (1)**	$ 1	**$ 5**	$ 12	–	–

OTHER PROPERTIES *(cont'd)*

OPERATING INFORMATION *(thousands)*	Doyon Mine (50% owned) 1997	1996	Mercur Mine (100% owned) 1997	1996	Pinson Mine (50% owned) 1997	1996
Tons of ore milled	**1,380.0**	1,291.6	**1,714.0**	2,032.8	**549.7**	549.4
Average grade *(ounces per ton)*	**0.124**	0.172	**0.057**	0.053	**0.076**	0.077
Recovery rate *(%)*	**95.3**	95.1	**38.4**	69.0	**85.6**	79.0
Ounces of gold produced from:						
Mill ore	**162.7**	209.0	**37.8**	74.5	**37.3**	32.4
Leach ore	**–**	–	**2.5**	8.1	**13.9**	10.0
Total ounces produced	**162.7**	209.0	**40.3**	82.6	**51.2**	42.4
Barrick's share of ounces produced	**81.3**	104.5	**40.3**	82.6	**25.6**	12.1

FINANCIAL INFORMATION *(dollars)*	Doyon 1997	Doyon 1996	Mercur 1997	Mercur 1996	Pinson 1997	Pinson 1996
Gold sales per ounce	**$ 420**	$ 415	**$ 420**	$ 415	**$ 420**	$ 415
Production costs per ounce						
Direct mining costs	**$ 299**	$ 218	**$ 322**	$ 314	**$ 316**	$ 342
Applied (deferred) stripping	**–**	–	**–**	–	**–**	–
By-product credits	**(2)**	–	**(2)**	(1)	**–**	–
Cash operating costs per ounce	**297**	218	**320**	313	**316**	342
Royalties	**3**	4	**2**	4	**10**	14
Production taxes	**–**	–	**3**	3	**–**	–
Total cash costs per ounce	**300**	222	**325**	320	**326**	356
Depreciation and amortization	**147**	100	**134**	146	**58**	99
Reclamation	**8**	4	**165**	17	**50**	22
Total production costs per ounce	**$ 455**	$ 326	**$ 624**	$ 483	**$ 434**	$ 477
Operating cash flow per ounce	**$ 120**	$ 193	**$ 95**	$ 95	**$ 94**	$ 59
Capital expenditures *(millions)*	**$ 14**	$ 8	**$ 1**	$ 4	**$ 1**	–

Production and Cost Summary

	Gold Production (ounces) 1997	1996	Cash Operating Costs (per ounce) 1997	1996
GOLDSTRIKE PROPERTY				
Betze-Post Mine	**1,605,836**	1,934,966	**$ 171**	$ 162
Meikle Mine[1]	**574,308**	78,442	**103**	142
CANADIAN PROPERTIES				
Bousquet Mine	**169,750**	231,354	**194**	193
Holt-McDermott Mine	**116,474**	117,621	**139**	160
OTHER PROPERTIES[2]				
Bullfrog Mine	**206,571**	205,268	**277**	281
Tambo Mine	**133,297**	159,303	**299**	299
El Indio Mine	**81,898**	169,359	**339**	263
Doyon Mine[3,4]	**81,336**	104,495	**297**	218
Mercur Mine[5]	**40,269**	82,593	**320**	313
Pinson Mine[3]	**25,583**	12,098	**316**	342
Golden Patricia Mine[6]	**12,428**	53,302	**223**	319
	3,047,750	3,148,801	**$ 182**	$ 193

(1) *Operations commenced September 1996.*
(2) *Operations closed, sold or to be phased out.*
(3) *Barrick's proportional share.*
(4) *Operations sold January 1998.*
(5) *Operations ceased December 1997.*
(6) *Operations ceased March 1997.*

Supplemental Information

ELEVEN-YEAR HISTORICAL REVIEW*

	1997	1996	1995	1994
Operating results *(in millions)*				
Revenues	**$ 1,294**	$ 1,318	$ 1,307	$ 954
Net income (loss)	**(123)**	218	292	251
Operating cash flow	**470**	463	502	376
Capital expenditures	**372**	374	385	272
Per share data				
Net income (loss) per share	**$ (0.33)**	$ 0.60	$ 0.82	$ 0.80
Cash dividends per share	**$ 0.160**	$ 0.140	$ 0.120	$ 0.100
Financial position *(in millions)*				
Cash and short-term investments	**$ 292**	$ 245	$ 284	$ 458
Total assets	**4,306**	4,515	3,556	3,472
Working capital	**253**	291	285	367
Long-term debt	**500**	500	100	283
Shareholders' equity	**3,324**	3,501	2,948	2,617
Debt to total capitalization	**13%**	12%	3%	10%
Operational statistics *(unaudited)*				
Gold production *(thousands of ounces)*	**3,048**	3,149	3,141	2,326
Cash operating costs per ounce	**$ 182**	$ 193	$ 180	$ 165
Average price realized per ounce of gold sold	**420**	415	406	402
Average spot price of gold per ounce	**332**	388	384	384
Reserves (proven and probable) *(thousands of ounces)*	**50,318**	51,117	36,539	37,589

**Information has been derived from audited financial statements, except as indicated.*

QUARTERLY DATA

(unaudited)		March		June		September		December
(in millions except per share data)	**1997**	1996	**1997**	1996	**1997**	1996	**1997**	1996
Revenues								
Gold sales	**$ 302**	$ 329	**$ 312**	$ 326	**$ 314**	$ 314	**$ 356**	$ 330
Interest and other income	**4**	5	**2**	6	**2**	5	**2**	3
	306	334	**314**	332	**316**	319	**358**	333
Costs and expenses								
Operating	**163**	163	**156**	172	**151**	174	**185**	182
Depreciation and amortization	**48**	46	**49**	45	**44**	43	**47**	49
Administration	**10**	8	**9**	9	**10**	8	**7**	8
Exploration	**13**	16	**18**	15	**18**	15	**15**	20
Interest	**–**	4	**–**	4	**–**	2	**–**	–
Provision for mining properties	**–**	–	**–**	–	**431**	45	**–**	–
	234	237	**232**	245	**654**	287	**254**	259
Income (loss) before taxes	**72**	97	**82**	87	**(338)**	32	**104**	74
Income taxes	**(17)**	(25)	**(20)**	(18)	**23**	(11)	**(29)**	(18)
Net income (loss) for the period	**$ 55**	$ 72	**$ 62**	$ 69	**$ (315)**	$ 21	**$ 75**	$ 56
Net income (loss) per share								
Basic and fully diluted	**$ 0.15**	$ 0.20	**$ 0.16**	$ 0.19	**$ (0.84)**	$ 0.06	**$ 0.20**	$ 0.15

1993	1992	1991	1990	1989	1988	1987
$ 681	$ 554	$ 369	$ 283	$ 228	$ 163	$ 103
213	175	92	58	34	28	16
317	283	160	94	77	50	34
165	256	246	174	205	178	100
$ 0.74	$ 0.61	$ 0.34	$ 0.23	$ 0.14	$ 0.12	$ 0.08
$ 0.080	$ 0.065	$ 0.055	$ 0.040	$ 0.030	$ 0.020	$ 0.010
$ 348	$ 288	$ 252	$ 312	$ 305	$ 51	$ 167
1,635	1,499	1,301	1,143	1,012	668	664
270	210	211	274	272	35	176
211	260	263	331	387	215	258
1,191	984	832	636	484	352	304
15%	21%	24%	34%	44%	38%	46%
1,632	1,325	790	596	468	341	225
$ 168	$ 162	$ 204	$ 217	$ 222	$ 223	$ 210
409	422	438	437	436	446	419
360	345	362	384	382	437	447
28,439	25,719	24,377	19,510	19,877	17,083	10,813

QUARTERLY DATA

(unaudited)	March		June		September		December	
(in millions)	**1997**	1996	**1997**	1996	**1997**	1996	**1997**	1996
Operating activities								
Net income (loss)	**$ 55**	$ 72	**$ 62**	$ 69	**$ (315)**	$ 21	**$ 75**	$ 56
Depreciation and other non-cash items	**54**	50	**56**	49	**436**	88	**36**	53
Working capital changes	**(8)**	(1)	**3**	(8)	**7**	2	**9**	12
	101	121	**121**	110	**128**	111	**120**	121
Development activities								
Property, plant and equipment	**(65)**	(89)	**(113)**	(68)	**(75)**	(111)	**(119)**	(106)
Property acquisition	**–**	–	**–**	–	**–**	(423)	**–**	1
Other	**(4)**	(31)	**(21)**	(10)	**45**	47	**(16)**	(29)
	(69)	(120)	**(134)**	(78)	**(30)**	(487)	**(135)**	(134)
Financing activities								
Capital stock	**2**	16	**1**	2	**2**	2	**1**	2
Long-term obligations	**(2)**	(70)	**(5)**	(32)	**(3)**	401	**9**	47
Dividends	**–**	–	**(30)**	(25)	**–**	–	**(30)**	(26)
	–	(54)	**(34)**	(55)	**(1)**	403	**(20)**	23
Increase (decrease) in cash	**32**	(53)	**(47)**	(23)	**97**	27	**(35)**	10
Cash beginning of period	**245**	284	**277**	231	**230**	208	**327**	235
Cash at end of period	**$ 277**	$ 231	**$ 230**	$ 208	**$ 327**	$ 235	**$ 292**	$ 245

Shareholder Information

"Whatever the market environment, Barrick's discipline and focus on business fundamentals – quality reserves, low-cost production, and a strong balance sheet – allow us to look ahead with confidence."

Belle Mulligan
Senior Vice President, Investor Relations

SHARES TRADED ON SIX MAJOR INTERNATIONAL STOCK EXCHANGES

New York	London
Toronto	Paris
Montreal	Swiss

TICKER SYMBOL

ABX

INDEX LISTINGS

S&P 500 Index
TSE 35
TSE 100
TSE 300
TSE Gold & Precious Minerals Index
FT of London Gold Index
Philadelphia Gold/Silver Index

NUMBER OF SHAREHOLDERS

15,160

COMMON SHARES
(millions)

Outstanding at	
December 31, 1997	373
Weighted average	
– Basic and fully diluted	373

The Company's shares were split on a two-for-one basis in 1987, 1989 and 1993.

ANNUAL DIVIDEND PER SHARE

US 16¢

VOLUME OF SHARES TRADED

(millions)	**1997**	1996
NYSE	**300**	327
TSE	**281**	259

CLOSING PRICE OF SHARES
(December 31, 1997)

NYSE	US$ 18.63
TSE	C$ 26.65

SHARE TRADING INFORMATION

Toronto Stock Exchange	Quarter	Share Volume (millions)	High	Low
1997	**First**	**68**	**C$ 39.30**	**C$ 32.35**
	Second	**74**	**36.20**	**29.75**
	Third	**67**	**34.90**	**26.25**
	Fourth	**72**	**34.80**	**21.50**
		281		
1996	First	78	C$ 45.00	C$ 36.13
	Second	44	43.75	36.60
	Third	48	40.00	33.50
	Fourth	89	41.50	33.90
		259		

New York Stock Exchange	Quarter	Share Volume (millions)	High	Low
1997	**First**	**80**	**US$ 30.50**	**US$ 25.13**
	Second	**65**	**26.00**	**21.50**
	Third	**70**	**25.13**	**19.38**
	Fourth	**85**	**25.19**	**15.13**
		300		
1996	First	106	US$ 32.88	US$ 26.63
	Second	82	32.13	26.88
	Third	59	29.50	24.63
	Fourth	80	30.50	25.13
		327		

DIVIDEND PAYMENTS

In 1997, the Company paid a cash dividend of $0.16 per share – $0.08 on June 16 and $0.08 on December 15. A cash dividend of $0.14 per share was paid in 1996 – $0.07 on June 14 and $0.07 on December 16.

DIVIDEND POLICY

In the past, the Company increased cash dividends as earnings and cash flow rose. However, dividends will remain modest as it is the Company's intention to retain most of its earnings to support current operations, to fund exploration and development projects, and to fund acquisitions of gold properties. The Board of Directors reviews the dividend policy semi-annually based on the Company's cash requirements and financial position.

ANNUAL MEETING

The Annual General Meeting of Shareholders will be held on Tuesday, May 12, 1998 at 11:00 a.m. in the Canadian Room, Royal York Hotel, Toronto, Ontario.

FORM 40-F

Annual Report on Form 40-F is filed with the United States Securities and Exchange Commission. This report will be made available to shareholders, without charge, upon written request to the Secretary of the Company at the Corporate Office.

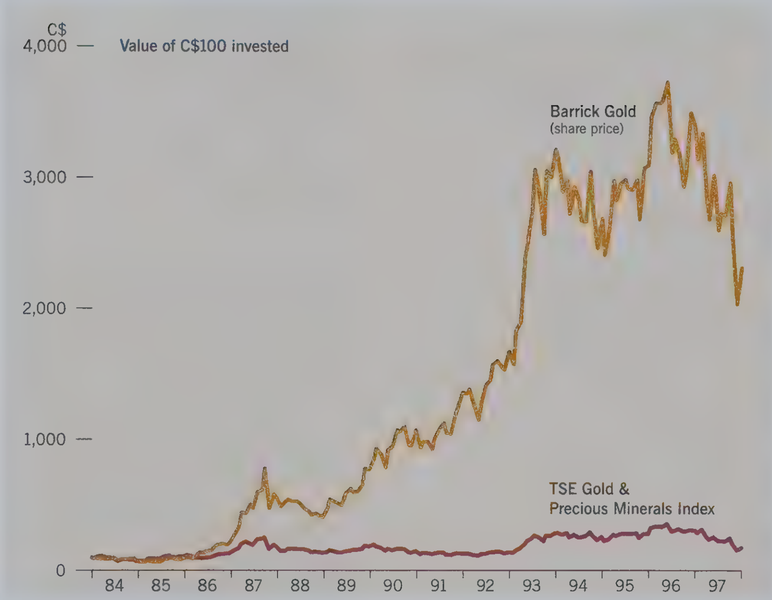
OTHER LANGUAGE REPORTS

French and Spanish versions of this annual report are available from Investor Relations at the Corporate Office.

DIVIDEND REINVESTMENT PROGRAM

The Canadian Shareowners Association, a non-profit educational organization of retail investors, has selected Barrick to be a part of its dividend reinvestment program for Canadian investors. Barrick shareholders interested in this program should contact the Association at:
Telephone: (416) 595-9600
Fax: (416) 595-0400
Email: questions@shareowner.ca
Web site: www.shareowner.ca

SHARE PERFORMANCE



SHAREHOLDER CONTACTS

Shareholders are welcome to contact the Company for information or questions concerning their shares. For general information on the Company, contact the Investor Relations Department.

For information on such matters as share transfers, dividend cheques and change of address, inquiries should be directed to the Secretary of Barrick or the Transfer Agents. Addresses and telephone numbers of the Transfer Agents follow.

TRANSFER AGENTS AND REGISTRARS

CIBC Mellon Trust Company
P.O. Box 7010
Adelaide Street Postal Station
Toronto, Ontario M5C 2W9
Telephone: (416) 643-5500
Toll-free throughout North America:
1-800-387-0825
Fax: (416) 643-5501
Email: inquiries@cibcmellon.ca
Web site: www.cibcmellon.ca

ChaseMellon Shareholder Services, L.L.C.
85 Overpeck Center
Ridgefield Park, New Jersey 07660
Telephone: (201) 296-4002
Toll-free within the United States:
1-800-526-0801

Certain statements included in this report constitute "forward looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Barrick or of the gold mining industry to be materially different from future results, performance or achievements expressed or implied by those forward looking statements. Barrick is subject to the effect of changes in the worldwide price of gold and the risks involved in mining operations. These factors are discussed in greater detail in the "Management's Discussion and Analysis of Financial Results" section as well as Barrick's Annual Information Form on file with the U.S. Securities and Exchange Commission and Canadian provincial securities regulatory authorities.

Board of Directors

Howard L. Beck, Q.C.
Toronto, Ontario
Chairman, Philip Services Corp.

Mr. Beck was a founding Partner of the law firm Davies, Ward & Beck. He has been on the Barrick Board since 1984.

C. William D. Birchall
Toronto, Ontario
Vice Chairman,
Barrick Gold Corporation

Mr. Birchall has had a long association with Barrick, being one of the original Board members of the Company.

John K. Carrington
Thornhill, Ontario
President and
Chief Operating Officer,
Barrick Gold Corporation

Mr. Carrington assumed his present position and became a member of the Board of Directors at the end of 1996. He joined Barrick in 1995 as Executive Vice President, Operations.

Marshall A. Cohen, O.C.
Toronto, Ontario
Counsel, Cassels Brock & Blackwell

Mr. Cohen served the Government of Canada for 15 years in a number of senior positions including Deputy Minister of Finance. He has been a Director of Barrick since 1988.

Peter A. Crossgrove
Toronto, Ontario
Chairman, Camreal Corporation

Prior to January 1993, he was Vice Chairman and Acting Chief Executive Officer of Placer Dome Inc. He has been a Director of Barrick since 1993.

The Honourable
J. Trevor Eyton, O.C., Q.C.
Caledon, Ontario
Senior Group Chairman,
EdperBrascan Corporation
Member of the Senate of Canada

Mr. Eyton has been a member of the Senate of Canada and on Barrick's Board since 1990.

David H. Gilmour
Palm Beach, Florida
Chairman, Fiji Water

David Gilmour is one of the original partners in Barrick and has been on the Board since the Company's inception.

Angus A. MacNaughton
Danville, California
President,
Genstar Investment Corporation

Mr. MacNaughton is a Vice Chairman of Barrick. He has been a member of the Board since 1986.

The Right Honourable
Brian Mulroney, P.C., LL.D.
Montreal, Quebec
Senior Partner, Ogilvy Renault

Mr. Mulroney was Prime Minister of Canada from 1984 to 1993. He joined the Barrick Board in 1993 and is Chairman of the Company's International Advisory Board.

Anthony Munk
Toronto, Ontario
Vice President, Onex Corporation

Mr. Munk became a member of the Board of Directors in 1996. He is a Partner of Onex Corporation, an investment company.

Peter Munk, O.C.
Toronto, Ontario
Chairman and
Chief Executive Officer,
Barrick Gold Corporation

Peter Munk is the founder, Chairman of the Board and Chief Executive Officer of Barrick Gold Corporation. He is also the founder, Chairman and Chief Executive Officer of TrizecHahn Corporation.

The Honorable Edward N. Ney
New York, New York
Chairman, Board of Advisors,
Burson-Marsteller

From 1989 to 1992, Edward Ney was United States Ambassador to Canada. He has been a Director of Barrick since 1992.

Randall Oliphant
Unionville, Ontario
Executive Vice President and
Chief Financial Officer,
Barrick Gold Corporation

Mr. Oliphant became a member of the Board of Directors on December 9, 1997. He assumed his present position in 1996 and prior to that, held a number of senior financial positions with the Corporation. Mr. Oliphant joined Barrick in 1987.

Joseph L. Rotman, O.C.
Toronto, Ontario
Chairman and
Chief Executive Officer,
Clairvest Group Inc.

Joseph Rotman is also the founder and Chairman of Tarragon Oil and Gas Limited. He has been a Director of Barrick since its inception.

Robert M. Smith
Oakville, Ontario
Vice Chairman,
Barrick Gold Corporation

Robert Smith became a Vice Chairman of Barrick at the end of 1996 and has been a Director since 1985. Mr. Smith has enjoyed a distinguished career in the gold mining industry and, as President and Chief Operating Officer, managed Barrick's rapid growth from 1987 to 1996.

Gregory C. Wilkins
Toronto, Ontario
President and
Chief Operating Officer,
TrizecHahn Corporation

Mr. Wilkins was Executive Vice President and Chief Financial Officer of Barrick until his appointment at Horsham in September 1993. He assumed his present position in 1996 with the merger of Trizec Corporation Ltd. and Horsham Corporation. He has been a member of the Board since 1991.

Corporate Governance

The Company, the Board of Directors and management of Barrick emphasize effective corporate governance. Accordingly, they have developed systems and procedures that are appropriate to the Company and its business. The Board of Directors is continuing to monitor its governance practices to ensure they remain appropriate and responsive to changing circumstances.

BOARD MANDATE

Barrick's management is responsible for the Company's day-to-day operations, for proposing its strategic direction and presenting budget and business plans to the Board of Directors for approval. All major acquisitions, dispositions and investments, as well as significant financing and other significant matters outside the ordinary course of Barrick's business, are subject to approval by the Board of Directors.

BOARD CONSTITUTION

Barrick's Board of Directors is currently comprised of 16 directors, eight of whom are unrelated to the Company. The composition of the Board reflects a breadth of background and experience that is important for effective governance of a company in the mining industry.

BOARD OPERATIONS

The Board of Directors has established six committees, including the audit, compensation and stock option, corporate governance and nominating, executive, environmental, occupational health and safety and finance committees. The mandates of these committees are described below. The Audit, Corporate Governance and Nominating and Compensation and Stock Option Committees are comprised entirely of unrelated directors. The Board of Directors believes that it is desirable for the majority of the Executive Committee to be related to the Company since its mandate requires members to be available on very short notice to deal with significant issues. All action approved by the Executive Committee is subsequently brought to the attention of the full Board of Directors. The fact that a majority of the members of the Environmental, Occupational Health and Safety Committee and the Finance Committee are related to the Company is balanced by the fact that the recommendations of the Committees are considered by the full Board of Directors.

A detailed Statement of Corporate Governance practices appears in the Company's Information Circular.

Committees of the Board

AUDIT COMMITTEE:

(P.A. Crossgrove, J.T. Eyton, J.L. Rotman)

Responsible for reviewing the Company's financial statements with management and the external auditors. The Committee also reviews the external audit plan, the adequacy of internal control systems and meets with the external auditors to discuss financial issues relevant to the Company.

EXECUTIVE COMMITTEE:

(P.A. Crossgrove, A.A. MacNaughton, P. Munk, R.M. Smith, G.C. Wilkins)

Exercises all the powers of the Board of Directors (except those powers specifically reserved by law to the Board of Directors) in the management and direction of business during intervals between Board meetings.

COMPENSATION AND STOCK OPTION COMMITTEE:

(M.A. Cohen, H.L. Beck, A.A. MacNaughton)

Reviews and approves compensation policies and practices and reviews and recommends to the Board the remuneration for directors and senior management of the Company. The Committee also administers the Company's stock option plan.

ENVIRONMENTAL, OCCUPATIONAL HEALTH AND SAFETY COMMITTEE:

(A. Munk, J.L. Rotman, R.M. Smith)

Reviews the Company's environmental and occupational health and safety policies and programs, oversees its environmental and occupational health and safety performance, and monitors current and future regulatory issues.

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE:

(H.L. Beck, M.A. Cohen, A.A. MacNaughton, E.N. Ney)

Reviews corporate governance policies and practices. This Committee also reviews candidates for election as directors, annually recommends to the Board the slate of nominees for election to the Board by the shareholders and recommends to the Board nominees to fill vacancies on the Board.

FINANCE COMMITTEE:

(C.W.D. Birchall, A.A. MacNaughton, G.C. Wilkins)

Reviews the Company's investment strategies, gold price hedging program and debt and equity structure.

Officers

Peter Munk
Chairman and
Chief Executive Officer

The Right Honourable
Brian Mulroney
Chairman,
International Advisory Board

C. William D. Birchall
Vice Chairman

Angus A. MacNaughton
Vice Chairman

Robert M. Smith
Vice Chairman

John K. Carrington
President and
Chief Operating Officer

Patrick J. Garver
Executive Vice President and
General Counsel

Alan R. Hill
Executive Vice President,
Development

Ronald S. Lloyd
Executive Vice President,
Office of the Chairman

Randall Oliphant
Executive Vice President and
Chief Financial Officer

William J. Biggar
Senior Vice President, Investments

Alexander J. Davidson
Senior Vice President, Exploration

Louis Dionne
Senior Vice President,
Underground Operations

Gregory P. Fauquier
Senior Vice President,
United States Operations

M. Isabel Mulligan
Senior Vice President,
Investor Relations

Kenneth G. Thomas
Senior Vice President,
Technical Services

M. Vincent Borg
Vice President,
Corporate Communications

Michael J. Brown
Vice President,
United States Public Affairs
and Public Relations

André R. Falzon
Vice President and Controller

James Fleming
Vice President, Communications

John T. McDonough
Vice President, Environment

Jamie C. Sokalsky
Vice President and Treasurer

David W. Welles
Vice President and Tax Counsel

Sybil E. Veenman
Associate General Counsel
and Secretary

International Advisory Board

The International Advisory Board was established to provide advice to Barrick's Board of Directors and Management as the Company expands internationally.

HONORARY SENIOR ADVISOR
President George Bush
41st President of the United States

CHAIRMAN
The Right Honourable
Brian Mulroney
Former Prime Minister of Canada

MEMBERS
Senator Howard H. Baker, Jr.,
United States
Partner, Baker, Donelson,
Bearman & Caldwell

Honourable Paul G. Desmarais, Sr.,
Canada
Director and Chairman
of Executive Committee,
Power Corporation of Canada

Vernon E. Jordan, Jr.,
United States
Senior Partner, Akin, Gump, Strauss,
Hauer and Feld

A. Andrónico Luksic, Chile
Head of the Luksic Group

Peter Munk, Canada
Chairman and
Chief Executive Officer,
Barrick Gold Corporation and
TrizecHahn Corporation

Karl Otto Pöhl, Germany
Senior Partner,
Sal. Oppenheim Jr. & Cie.

José E. Rohm, Argentina
Managing Director,
Banco General de Negocios

Robert M. Smith, Canada
Vice Chairman,
Barrick Gold Corporation

Corporate Information

MINING OPERATIONS

UNITED STATES

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Meikle Mine
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Elko, Nevada 89803
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Vice President and
General Manager
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Fax: (702) 738-7685

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2 Bousquet Road
Route 395
Preissac, Quebec J0Y 2E0
Christian Pichette
Mine Manager
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Holt-McDermott Mine
P.O. Box 278
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